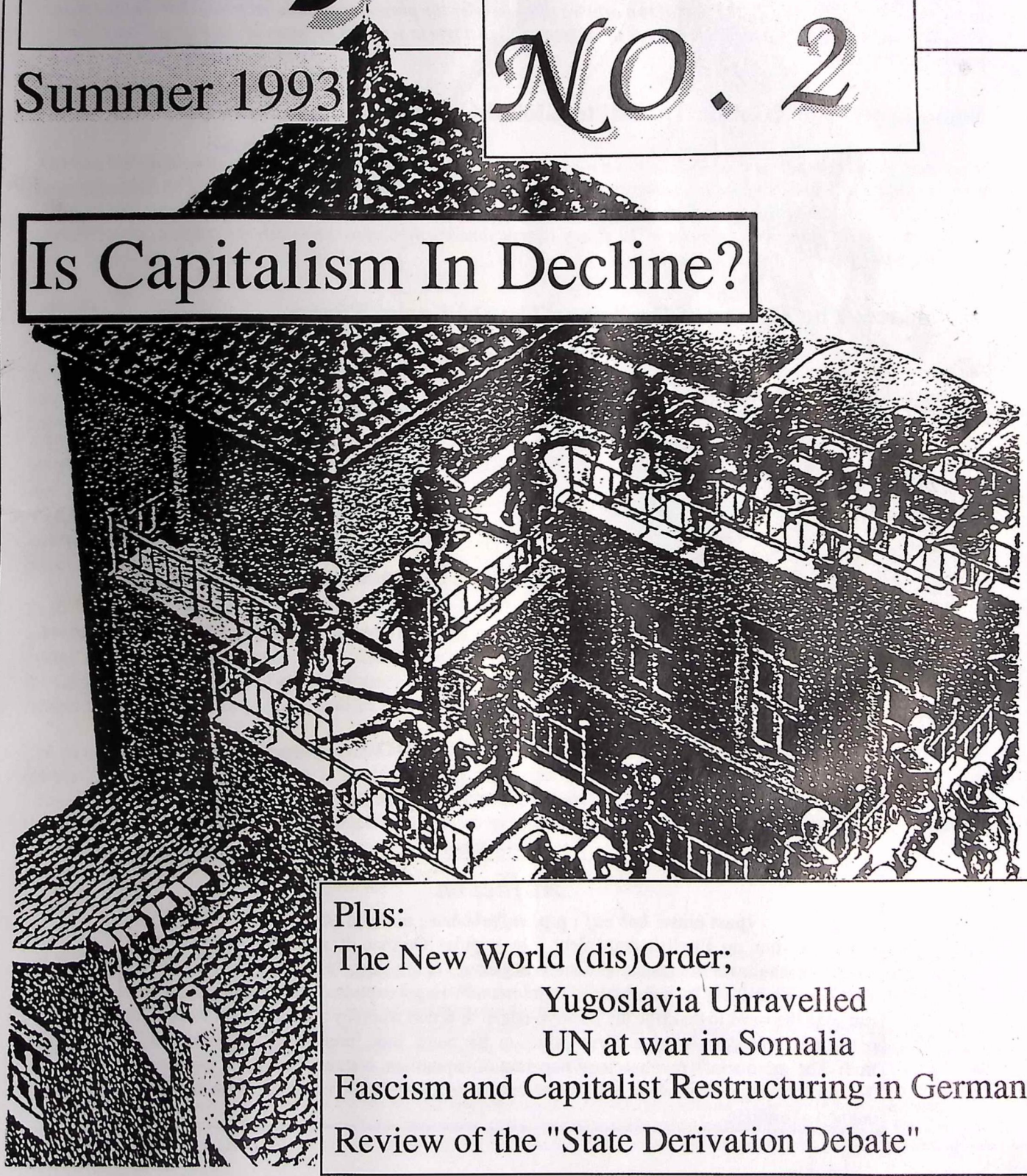
TSOR/49/1/1

Aufheben

No. 2

Summer 1993

Is Capitalism In Decline?



Plus:

The New World (dis)Order;

Yugoslavia Unravelled

UN at war in Somalia

Fascism and Capitalist Restructuring in Germany

Review of the "State Derivation Debate"

£2.00

revolutionary perspectives

Contents....

Class Decomposition in the New World Order: Yugoslavia Unravelled.....

The New World Order so loudly proclaimed by President Bush as he prepared to go to war against Iraq is now sinking in the quagmire of Bosnia. In the first of two articles that consider the present international predicament of the post-Cold War era we examine in detail the break up of former Yugoslavia in terms of 40 years of class struggle and the collapse of the USSR.

Somalia and the 'Islamic Threat' to Global Capital.....

'Operation Restore Hope' was widely billed as a means to restore the humanitarian credentials of both the US and UN after the failure to find a 'solution to the Bosnian nightmare'. The recent shooting of demonstrators by UN troops, if nothing else, should have dispelled such a myth. In this article we seek to explain Bush's change of heart with regard to Somalia in terms of the wider context of the rise of Islamic fundamentalism as a new threat to global capital that is filling the gap left by the demise of Stalinism.

Decadence: The Theory of Decline or The Decline of Theory.....

The notion that capitalism must inevitablly decline and, by implication, that history is on our side, has been a dominant idea that has shaped much marxist and revolutionary thought, particularly that of Trotskyists and left communists. In the wake of the collapse of the Eastern Bloc it has become more important than ever to challenge such notions of capitalist decline and decadence. In the first part of our two part critique we examine the development of the various theories of capitalist decline that emerged out of the collapse of the Second International up until the end of the Second World War.

Intake:
Rostock or: How the new Germany is being Governed.....

In this abridged translation of an article originally published in Wildcat (Germany), it is shown how the state is using the issue of racism to develop its 'social strategy of tension'.

Review:
'The State Debate' & 'Post-Fordism and Social Form'.....

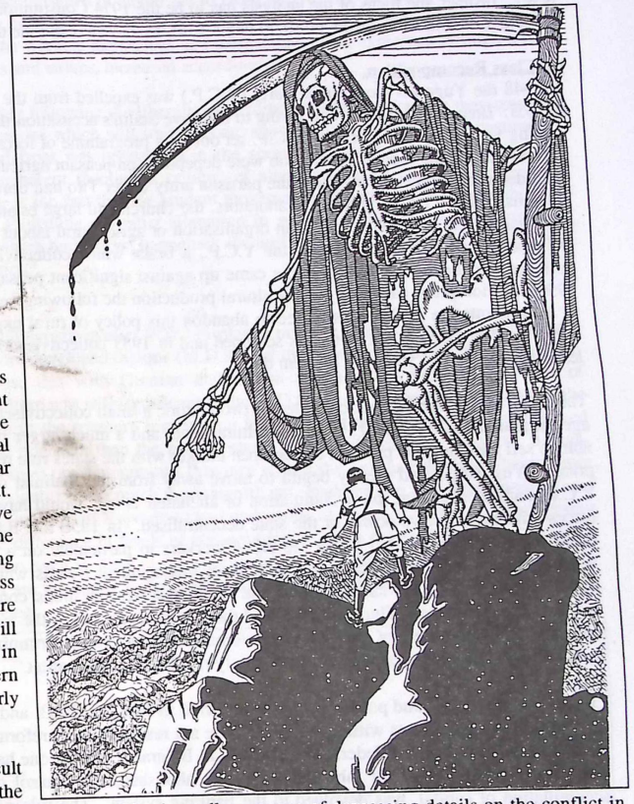
Theorising the relation between state and capital is an important task. This review article looks at two important contributions to the understanding of this problem and places them in the context of the failed strategies of the left.

Aufheben

(past tense: *hob auf* ; p.p. *aufgehoben* ; noun: *Aufhebung*).

Aufheben has no English equivalent . In popular German it normally has two main meanings which are in opposition. One is negative, "to abolish", "to annul", "to cancel" etc. The other is positive, "to supersede", "to transcend". Hegel exploited this duality of meaning and used the word to describe the positive-negative action whereby a higher form of thought or nature supersedes a lower form, while at the same time 'preserving' its 'moments of truth'.The proletariat's revolutionary negation of capitalism, communism, is an instance of this positive-negative movement of supersession, as is its theoretical realisation in Marx's method of critique.

Class Decomposition In The New World Order: Yugoslavia Unravelled



(1) Introduction

Whilst there have been numerous wars around the globe over the last forty-eight years, Europe has seen only the mundane brutality of everyday capitalist social relations. But once again the spectre of war haunts the proletarians of the continent. The former republics of Yugoslavia have lurched into a bitter cycle of war, and the images of the suffering provide a terrifying reminder of the capacity of the working class to carve itself up along national lines. Are we heading for a major European war? Will the events of the past couple of years in Yugoslavia be repeated throughout Eastern Europe? An analysis of the conflict is clearly imperative[1].

Such an analysis is made more difficult however both by our separation from the events, leading to a lack of information from 'below', and by the endless stream of depressing details on the conflict in the media making any attempt to keep abreast of events into a desensitising test of endurance. So this article will be limited to an attempt to simplify the conflict by grasping the material roots of the nationalist tensions.

The first problem lies with deciding where to start. A possible starting point would be the formation of the first (monarchist) Yugoslavia after WW1, as the internal migration of Serbs under the Serb-dominated regime (to be followed by a similar migratory flow after WW2) helped produce the ethnic mish-mash with which we are now familiar[2]. Another possibility is WW2 and the genocide perpetrated by the *Ustashe* [3] which helps explain the fear of persecution so characteristic of current Serbian nationalist ideology.

[1] The need to take a closer look at what has occurred in Yugoslavia was adequately demonstrated to us by the now obvious fallacy of our assertion in issue 1 that the British State was preparing for a military intervention in pursuit of interests held in common with the Bundestag. This may have reflected an overestimation of political unity within the EEC, and a tendency to conflate the demonisation of the Serbs in the British media with the real interests of the British State. But it certainly reflected an inadequate theorisation of the driving forces behind the conflict.

[2] See Table 1 in 'The Disintegration of Yugoslavia: Regional Disparities and the Nationalities Question' in ***Capital and Class*** Vol. 48. This article places too little emphasis on the limits to capital accumulation imposed by the struggles of the Yugoslav proletariat but is nonetheless useful for the wealth of empirical information regarding Yugoslav development that it presents. Also recommended is ***'Yugoslavery'*** (£1 from *BM Blob*, London WC1N 3XX) which contains 'Yugoslavia: Capitalism and Class Struggle 1918-1967' and 'Some Basic Ingredients of Yugoslav Ideology', again because it provides a much richer account of capitalist development in Yugoslavia, but as this was published before the conflict had broken out its use is now limited to providing context.

[3] The Ustashe regime ruled the Independent State of Croatia, which existed under German and Italian protection from 1941 to 1944. The fascist Ustashe are estimated to have murdered between a half and one million people, mainly Serbs but including Jews and gypsies, with a zeal reputed to have shocked their Nazi allies.

Neither of these starting points seem to provide the best means of unravelling the conflict however, as the Socialist Republic of Yugoslavia did hold together for well over forty years despite its ethnic diversity and the experiences of WW2. Instead, the focus of the analysis has to be the 1974 Constitution, which appears to be a pivotal moment in the shaping of Socialist Yugoslavia; so, to begin with, we have to examine the factors which gave rise to it.

(2) Class Recomposition.

In 1948 the Yugoslav Communist Party (Y.C.P.) was expelled from the Cominform, in part due to the Y.C.P.'s desire for U.S. financial support. As if trying to disprove Stalin's accusation that the Y.C.P. was a 'Kulak' party incapable of making war on the peasantry the Y.C.P. set out on a programme of forced collectivisation beginning in 1949. Prior to the war 75% of the regions population were dependent on peasant agriculture and immediately after the war the Y.C.P. rewarded the peasants, from whom the partisan army under Tito had drawn most of its support, with land reform; land previously owned by foreigners, collaborators, the church and large estates was broken up and distributed amongst the poor peasants as small plots. Such an organisation of agricultural labour was, however, a brake on the development of the productive forces so desired by the Y.C.P., a brake which collectivisation (socialist primitive accumulation) was designed to remove. This programme came up against significant peasant resistance however, with extensive riots in 1950 and widespread sabotage of agricultural production the following year. Given their need for the political backing of the peasants the Y.C.P. was forced to abandon this policy of rural expropriation. First the compulsory delivery of agricultural produce to the state was scrapped and in 1953 collectivisation was abandoned. Peasants were allowed to leave the collectives, and most of them did.

Thereafter agricultural labour consisted of two sectors; a small collectivised 'socialist' sector comprising about 5% of the agricultural workforce and 15% of agricultural land, and a much larger private sector in which peasant families were able to sell their surplus produce on the open market with the states role reduced to setting the levels of taxes and some prices. Yugoslavia had clearly begun to move away from the Stalinist model of a centrally-planned economy. The Y.C.P. had decided that the accumulation of alienated labour would have to proceed using the discipline of market forces with the coercive power of the state decentralised. In 1950 the 'Basic Law on Workers Self Management' was introduced in the industrial sector to allow workers to participate on a democratic basis in their own exploitation. Workers Councils were henceforth able to elect Management Boards which by 1953 were able to engage in foreign trade, set prices in most cases, and decide for themselves questions concerning product range, investment, output, supplies and customers. Thus there evolved the partial separation of the 'political' and 'economic' aspects of the capital relation; the involvement of the Federal Government in the everyday running of the economy gradually declined as the social division of labour came to be increasingly regulated by the market.

Liberalising economic and political reforms occurred in 1960-61, 1963, and 1965 despite concerted opposition from the more centralising elements within the Y.C.P. The net results of these reforms were twofold although both represented a decline in the power of the Federal Government in Belgrade. On the one hand remaining price controls, including that setting a minimum price for labour-power, were abolished, and control over credit, and thus control over the real accumulation of capital, was devolved to the banking system. The rule of money over the conditions of life thereby increased. Alongside this shift was a political one devolving a certain amount of political clout to regional authorities although fiscal policy and control over the repressive functions of the state remained the prerogative of the Federal bureaucracy in Belgrade.

Within the Y.C.P. there had occurred a certain division between the conservative autocrats of the bureaucracy and the liberal technocrats of the productive enterprises and banks, with the relative empowerment of the latter. And such a reorganisation proved to be very successful. Investment rates during the 50s and 60s were exceptionally high by international standards. Rapid accumulation allowed for rising real wages paid for through rising productivity. A relatively generous social wage was affordable; healthcare and other services developed to rival those in many West European countries. Thus the Yugoslav model became the ideal for many left-liberals in Britain and elsewhere who had a particular fetishism for democracy but no critique of alienation. But this rapid accumulation had a number of consequences which would serve to undermine this particular form of market-based self-management.

i) Accumulation of Grave-Diggers:

In less than two decades much of Yugoslavia had been transformed from a predominantly agricultural country into an industrial one. And where industry had previously existed it had grown in size. Between 1953 and 1965 over 1 million peasants had been transformed into wage-labourers. The rulers had created their own nemesis, potentially at least. The increasingly real subsumption of labour under capital tended towards the homogenisation of the working class, and the

increasing size of industrial units its unification[4]. Democratic participation in the Workers Councils served to atomise the Yugoslav working class, but the increasing socialisation of labour led to those individuals becoming ever more parts of a collective worker collectively exploited by ever more hostile dead labour. This transformation of the productive power of labour was reflected in the minds of the workers themselves and class antagonism, expressed through a rapid turnover of labour, absenteeism, work stoppages and strikes, increased accordingly.

The incidence of wildcat strikes increased notably following the liberalising reforms of 1965, and whilst they tended to remain an amalgam of localised affairs, for reasons which will soon become apparent, they nonetheless constituted a significant threat to the status quo. A second front was opened up in the spring of 1968 by radical students who appeared on the streets of Belgrade with a coherent theoretical critique of alienated labour and of representative organisational forms. Of particular importance is the fact that the student movement was aware of the impossibility of abolishing the alienation of students without abolishing capitalist alienation in general, and thus sought through its slogans and in its programme to achieve that which had not yet happened; the unification of the whole of the Yugoslav working class in a movement for its own abolition[5].

ii) Accentuation of Regional Disparities:

The republics which together formed Socialist Yugoslavia after WW2 displayed massive social, cultural and economic differences. Slovenia and Croatia were the more developed regions (M.D.R.s) of the country due to their incorporation into the Austro-Hungarian empire, their close ties with German and Italian capital, and their relative lack of infrastructural damage during the war. Agriculture was still significant in the M.D.R.s, even if much less so than in the L.D.R.s. But land was much more fertile than in the southern regions and farms tended to belong to the collectivised 'socialist' sector which was much more capital intensive than the private sector of the independent peasants. Bosnia-Herzegovina, Macedonia, Montenegro and Kosovo (an Autonomous Province within the Serbian republic), being more rural areas in which private sector peasant agriculture was much more significant, made up the less developed regions (L.D.R.s). Serbia (with its other Autonomous Province of Vojvodina) had undergone an average degree of development and thus constituted the middle ground. The difference in levels of consumption between the workers of the M.D.R.s and those of the L.D.R.s was notable. Indicators such as share in the total social product, infant mortality rates, literacy rates, inhabitants per hospital bed and others are testimony to how much a higher rate of exploitation in the M.D.R.s enabled workers there a higher standard of living.

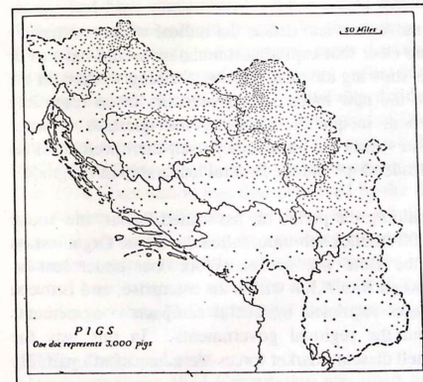


Fig. 28. Distribution of pigs

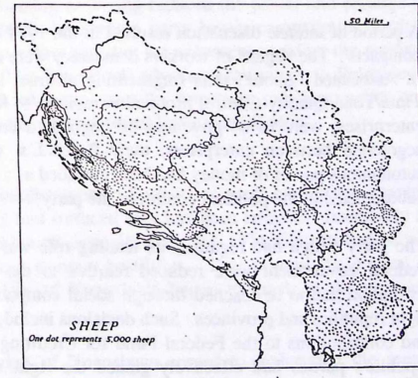


Fig. 29. Distribution of sheep

[4] See 'Results of the Immediate Process of Production' in ***Capital Vol. 1.***

[5] The best account of the student revolt and how the Y.C.P. managed to deal with it is 'Revolt in Socialist Yugoslavia' by Fredy Perlman. This article has been included in a recent compilation of some of his works called ***'Anything Can Happen'*** (Phoenix Press £4.50).

The Y.C.P. were fearful that these disparities would exacerbate nationalist tensions to a degree that would undermine the stability required for capital accumulation. An active regional development policy was therefore pursued immediately after the war in order that development in the L.D.R.s might be speeded up. Whilst this could be done relatively easily during the central planning period, when the main source of of investment funds was the Federal Budget, the shift towards a market economy undermined this policy. Up until 1963 investment was controlled by a General Investment Fund, and although a certain amount of money-capital was earmarked for investment in the L.D.R.s on preferential terms the bulk of the resources was allocated on the basis of the profitability of the enterprises wishing to receive funding. Then, when responsibility for credit and investment passed into the hands of the banking system, profitability became the sole criterion for decisions concerning the allocation of credit.

This relaxation of control over the workings of the law of value served to exacerbate the regional disparities. Enterprises in the L.D.R.s tended to be much less competitive and thus found it harder to obtain the capital required to raise the productivity of labour, thus they became even less competitive. Unable to obtain credit through the banking system the L.D.R.s resorted to obtaining the few resources available through the 'Federal Fund for Crediting Economic Development of Less Developed Regions'. With investments in the L.D.R.s then being made on the basis of political considerations these resources were often wasted on hopelessly uncompetitive 'prestige projects', thus further undermining profitability in the L.D.R.s. As for agriculture in the L.D.R.s, productivity was falling further behind that of the M.D.R.s socialised sector, and the Y.C.P. tried to narrow the gap by passing a law in 1967 enabling peasants to buy agricultural machinery such as tractors. But with the relatively small scale of plots such a move was futile. And on top of this, when the tourism industry began to expand rapidly Croatia was to prove the main benificiary.

Given such a regional division of labour, with manufacturing concentrated in the M.D.R.s, tourism concentrated in Croatia, and mining, energy production and peasant agriculture dominating the L.D.R.s, it is obvious that objective conditions did not favour a unified offensive by the Yugoslav working class as a whole. And it also becomes clear as to why the tensions within the party between the liberals and the conservatives took on a regional bias which was at times prone to expressing itself in nationalist terms.

(3) 1974 Constitution.

The Y.C.P. was able to isolate, repress and recuperate the student movement and defuse the radical workers offensive thus neutralising the immediate threat to its rule. But it had become clear that capital accumulation would have to be re-stabilised on a new basis as the existing regime of domination was showing too many cracks. Striking workers in the M.D.R.s were questioning the inequalities between themselves and the new breed of entrepreneurs in an ostensibly socialist society. Workers in the L.D.R.s similarly protested about inequality, including the question of wage differentials between themselves and their northern counterparts. And within the bureaucracy itself there were tensions between the cadre of the different regions and between the regional leaderships and the Federal leadership in Belgrade.

A period of intense discussion resulted in the 1974 Constitution, heralding the period of 'associated labour' and 'social compacts'. The organs of workers democracy were divided into 35,000 smaller sub-units called the 'Basic Organisation of Associated Labour', thus fragmenting abstract labour in much the same way as TeamWork does under Just-In-Time/Total-Quality-Control production regimes[6]. Relationships between B.O.A.L.s within an enterprise, and between enterprises, were to be governed by negotiated contracts, with wages regulated by 'social compacts' - agreements negotiated between enterprises, their B.O.A.L.s, trade unions, and the regional governments. In this way the autonomous power of money had been curtailed as a concession to quell dissent; market forces were henceforth partially subordinated to the political control of the party.

The party which had regained its leading role was itself restructured by the 1974 Constitution. The powers of the Federal government were reduced relative to the regional governments, and all major decisions concerning the federation had to be reached through social compacts and agreements requiring the consent of the leaderships of all eight republics and provinces. Such decisions included those concerning fiscal policy, monetary policy, public spending and contributions to the Federal Fund for Crediting Economic Development of L.D.R.s. The leaders of each of the republic's parties had effectively gained the right of veto over the policies of the Yugoslav government, and the leaderships of the L.D.R.s were thus able to secure preferential treatment for their regions, such as exemption from customs duties on the import of fixed capital, higher export subsidies, refunds for contributions to the Federal Budget

[6]See Sayer, A. 'New Developments in Manufacturing: The Just-In-Time System', ***Capital and Class*** Vol. 30.

etc. And the transfer of powers from Belgrade to the regions allowed the party leaders in the L.D.R.s exclusive control over the use of resources obtained from the development fund.

To summarise, the 1974 Constitution attempted to restore the rule of the party over the power of money, but the party itself was also restructured leading to the regionalisation of the Yugoslav economy. But what had emerged as an attempt to forge a new consensus around which accumulation could be organised in fact led to dissatisfaction in virtually every quarter.

i) M.D.R.s

The politicisation of resource allocation was inevitably unpopular with the technocrats/ entrepreneurs/ bankers concentrated in the M.D.R.s, and the party leaderships of Croatia and Slovenia soon resumed pressing for the prioritisation of profitability criteria for investment. Although in the late 1980s the M.D.R.s only made their contributions to the L.D.R. development fund under great duress, it was not the magnitude of the value that was transferred southwards that the M.D.R.s objected to. The level of contributions from the M.D.R.s was modest despite the fact that the Federal Fund provided virtually all the investment resources for the poorest of the L.D.R.s. What the party leaders in the M.D.R.s objected to was that the political restrictions upon the flow of money-capital towards the highest rate of profit was serving to slow capital accumulation in Yugoslavia as a whole and the M.D.R.s in particular. This section of the ruling class wanted further decentralisation and the extension of market-based reforms in order to reimpose competition as the means whereby Yugoslav capital would organise itself against labour on a national level.

ii) L.D.R.s

Such a move would have consigned the economies of the L.D.R.s to the role of Yugoslavia's 'third world'. The constitutional changes had however given the means to block the moves by the M.D.R.s for further liberalisation. But the status quo was not to the liking of the L.D.R. leaderships either, as the growing autonomy of the regional economies was already condemning them to a permanent position as the 'poorer partners' with a slower rate of accumulation. Thus they pressed for an active interventionist policy in opposition to the demands from the M.D.R.s.

iii) Serbia

As previously noted, Serbia occupied the middle ground where development was concerned, but was where political power had been concentrated. What caused consternation amongst Serbian cadre was that the Federal leadership in Belgrade was being held hostage by the narrow national interests of the republican and provincial governments. Contributing as much and sometimes more than each of the M.D.R.s to the fund for the L.D.R.s they were as resentful as the parties in those republics at seeing capital being wasted by the L.D.R. leaderships on 'prestige projects' which did nothing towards decreasing the profitability divide. The Serbian leadership thus wanted to revert to a strong central government to ensure the efficient utilisation of investment capital. Furthermore Serbs (and Montenegrins) had always been over-represented within the Y.C.P. as a whole because of the composition of the partisan movement, and within the Federal Army and the state apparatus there were a disproportionate number of Serbian (and Montenegrin) cadre. The 1974 Constitution was thus perceived by the Serbian party leadership as having reduced the power and prestige of the Serbian leadership in Yugoslavia as a whole. In the mid 1970s the Serbian party began campaigning against regional autonomy, setting up a working commission of the party to gather together the arguments against the regional autonomy granted by the constitutional changes in a 'Blue Book'. The 'Blue Book' advocated the return to Belgrade of control over economic policy for the whole of Yugoslavia, as well as control over the provinces judiciary, police and security services. Not surprisingly the arguments were rejected by the multi-national Federal leadership.

(4) The Onset of Crisis.

Opposition to the 1974 Constitution was often expressed in nationalist terms. Such ideas were hardly new, having resurfaced periodically in Socialist Yugoslavia. But each time they had surfaced they had been criticised extensively as most of the Y.C.P. were committed to Yugoslav unity. So although opposition to the 1974 Constitution would incorporate certain aspects of nationalist ideology this did not lead to open hostilities. That is until the cement of capital accumulation which had held together the 'red bourgeoisie' of Yugoslavia began to crack as the economy plunged into a serious crisis.

The partial restriction of competition within the domestic market of Yugoslavia served to undermine the means whereby the valorisation conditions of social capital are forced upon particular capitals. Without the same competitive pressures, individual capitals operating within Yugoslavia were less compelled to raise the productivity of labour. The constant struggle to expend no more than the labour-time socially necessary for the production of given commodities was relaxed. But while the Y.C.P. could assert some control over the law of value as it operated within the boundaries of Yugoslavia, there was less it could do about the dictates of the world market. Global social capital demanded

continuous reductions in necessary labour but Yugoslav capital had backed away from the struggle with its workers. Thus Yugoslav capital became increasingly uncompetitive in the world market. Selling commodities abroad increasingly required subsidies, but the money for this had itself to come out of surplus-value, which was becoming harder and harder to realise[7].

By 1980 a foreign debt of $14 billion had been accumulated, and Yugoslavia joined the I.M.F. The following year a loan was negotiated which was the biggest the I.M.F. had paid out at the time, but the provision of credit was conditional upon the imposition of an austerity programme. A strict incomes policy was to be introduced, prices were to be deregulated, interest rates increased sharply, the Dinar devalued, and exports increased at the expense of domestic consumption. The 1974 reforms had not succeeded in eliminating the Yugoslav working class as an overtly antagonistic subject however, as had been demonstrated by an upturn in the number of strikes in 1976. So in response to the attempted imposition of austerity the Yugoslav working class waged a fierce defensive struggle, in many cases successfully blocking the Federal government's measures. Strikes, largely in response to wage cuts, threatened to escape the control of the trade unions. And beyond the productive sphere other struggles were waged, including the organised boycott of rising electricity and gas bills[8].

I don't have anything against working from 9 to 5, but it's hard to give up the habit of napping after lunch.

This defensive struggle continued through the early eighties, but the state did have a certain amount of success in its battle against its working class. Many uncompetitive capitals were forced to collapse and unemployment rose rapidly, exerting further downwards pressure on wages. Wages were pushed down significantly in real terms during the 1980's, although there are various figures available as to exactly how much. An article in *New Left Review* 174 states that 'working class consumption' fell by nearly 8% between 1979 and 1985 whilst an article in the April/May '93 issue of *Wildcat* states that 'incomes' fell by 45% over the same period and that 'wages relative to prices' fell by 30% between 1978 and 1988. Mass unemployment is a contradictory weapon however, and despite this fall in wages the foreign debt had risen to $20 billion dollars by 1985, and inflation was becoming rampant (reaching 250% by the end of 1988).

In 1986 many individual firms had conceded wage increases which, although considerably below the rate of inflation, were in excess of the rate fixed by the government. In response the Federal government passed a law in February 1987 cutting wages and requiring that wages in excess of the limit be paid back. Mass strikes broke out, particularly around the areas of Zagreb and Belgrade, and street battles with the police occurred in many towns and cities throughout Yugoslavia. The Federal government in Belgrade threatened to bring tanks onto the streets to restore order, but this was eventually achieved by means of a temporary price freeze.

Another measure used by the Federal government to deal with this situation was an agreement that wages would be allowed to rise in excess of the norm provided they were 'paid for' through increased productivity. This was a divisive measure, obviously benefiting workers in the M.D.R.s, especially those in sectors linked to export and foreign currency earnings (the tourist industry). And divisive tactics probably had some success given the way that the gap between conditions for workers in the M.D.R.s and those in the L.D.R.s widened with the crisis. In 1987 the party leaders of

[7]Yugoslavia's economic crisis was of course bound up with the worldwide recession which began in the early 1980s, as Left-Communist articles on Yugoslavia have pointed out. But unlike them we reject the thesis that a purely 'objective' crisis lead to certain 'subjective' responses, recognising the need for a unified theory of crisis. In the case of this article it is important to recognise the role of working class entrenchment in the development of Yugoslavia's crisis. After all the Yugoslav economy was much harder hit by the same worldwide crisis than, say, Japan.

[8]The little information included on the class struggle in Yugoslavia during the 1980s has largely been taken from an article in the October 1992 and April/May 1993 issues of the German autonomist magazine ***Wildcat*** (Sisina, Postfach 360 527, 1000 Berlin 36-030/6121848).

three of the L.D.R.'s -Kosovo, Macedonia and Montenegro- declared their regions bankrupt, and 'Agrokomerc', the Bosnian agro-industrial conglomerate, collapsed. Whilst unemployment rose from 11% to 18% between 1975 and 1989 as an average for Yugoslavia as a whole, the rise was from 4% to 6% for the M.D.R.s, from 13% to 17% in Serbia and Vojvodina, and from 22% to 36% in the L.D.R.s. Using another indicator, the proportion of the Yugoslav population below the poverty line rose from 17.2% to 23% between 1978 and 1989, but the regional variation is striking; in 1989 the proportion was only 2.9% in Slovenia compared to a staggering 81.9% in Kosovo. The reason for this increase in regional disparities during this period was linked to the changing price of manufactured goods and primary products on the international market. The M.D.R.s had benefited from the rise in the price of manufactured goods following the oil price hike of 1979, whilst the prices of agricultural products and raw materials, the mainstays of the L.D.R.s' economies, collapsed due to the international debt crisis and the efforts of debtor countries to meet repayments by stepping up exports.[9]

(5) Class Decomposition.

1987 appears to have been something of a turning point in the unfolding of the situation. It was at this time that organised groups began successfully propagating nationalist ideas within the working class movement, placing themselves at the forefront of demonstrations. The development of nationalism within the working class had been encouraged by developments within the Y.C.P. On the one hand the party leaderships of the M.D.R.s had started backing up their demands for economic liberalisation with demands for national independence, probably at this stage just to increase the pressure on the Federal leadership. And on the other the Serbian party were now openly endorsing Serbian nationalism. That nationalism was able to become the potent material force we know it to have become in Yugoslavia is down to the fact that it had a material basis. Dismissing it as 'false consciousnesss' is inadequate as it can lead to little more than implying the need for a vanguard to teach the proles what their real interests are. Our opposition to all forms of nationalism should not mean that we are incapable of addressing the question as to why it is capable of mobilising working class support.

Nationalism reflects the superficial identity of interests thay exists between a particular national bourgeoisie and the proletariat of that country for so long as capitalist social relations persist. An identity of interests because the successful valorisation and realisation of capital provides both capitalists and workers with a source of revenue with which, as independent subjects in the market legally separated from means, commodities can be purchased to satisfy needs (albeit in an alienated form)[10]. Superficial because, whilst it does not immediately present itself as such, this process is one of class exploitation and hence antagonism. To the extent that the bourgeoisie organises itself on a national level, and it remains meaningful to talk of national economies, the proletariat will find itself a universal class divided upon national lines. For so long as we remain defeated, i.e. so long as the value-form exists, then nationalism may feed upon this division. Capital may be a unity, but it is a differentiated one whose unity is constituted through competition on an international level. With competition on the world market based on the cheapening of commodities, acceptance of a 'national interest' and making sacrifices to the national bourgeoisie may mean increased exploitation for the working class, resignation to a living death or a real one as cannon fodder, but it also increases the competitiveness of the national capital on the world market, making its realisation more probable, and thus helps to secure future revenue for both classes.

The regionalisation of the Yugoslav economy meant the existence of a material basis for nationalist divisions within the Yugoslav working class. Refusal to accept these divisions could maintain the prospect of social revolution, or at least maintaining a trajectory which kept this possibility alive. Acceptance of these divisions could mean abandonment of any hope for a free, unalienated existence, but also the prospect of a greater access to the social wealth alienated to capital by deflecting the assault of capital onto the 'other', whether that be other republics, other nationalities within the republic, or both. As the prospects for the class began to disappear over the horizon so resignation to nationalism increased.

i) Serbia[11]

Around 1980 a new generation of bureaucrats came to power in Serbia, grouped around Ivan Stambolic (head of Serbia's government 1980-82, head of Belgrade Party 1982-84, president of Serbian Party 1984-86). This new leadership, which included Slobodan Milosevic, sought to achieve the aims of the 'Blue Book', the recentralisation of political power in Belgrade, through the strategic manipulation of nationalist sentiment in order to exert pressure on the

[9]See 'The war in Yugoslavia and the Debt Burden: A Comment' in ***Capital And Class*** Vol. 50 for an analysis of the effects of the international debt crisis on regional disparities in Yugoslavia.

[10]Recognition of this allows one to understand how capitalism has proved to be so remarkably resilient. How does one account for the absence of revolution or the attractions of reformist politics if this is not recognised?

[11]Much of the information for this section has come from 'Yugoslavia: The Spectre of Balkanization' in ***New Left Review*** 174, 1989.

Federal leadership. Such a proposal would have to be agreed by the assemblies of the Autonomous Provinces of Vojvidina and Kosovo, as well as the other republics, and the assemblies of Serbia's Provinces were not willing to give up power.

Indeed, in 1981 there was a huge wave of rioting right across Kosovo. Whilst the underlying cause of the rioting may be rooted in the falling living standards of Kosovo's working class these riots have usually been interpreted as nationalist riots. There certainly were demands put forward that Kosovo be given full republican status. But even if this interpretation is wrong there can be little doubt that the predominantly Albanian working class were forced into falling in behind 'their' leaders in defence of 'national rights' by subsequent events.

The rioting was suppressed by the predominantly Serbian Federal forces and a state of emergency declared. Nationalist elements within Serbia began decrying the way in which the 1974 Constitution had led to what they saw as the Albanianisation of Kosovo, which they considered to be a part of 'Greater Serbia'. Indeed Kosovo is of central importance to Serbian nationalists as it was the centre of medieval Serbia until it was lost to Turkey in the battle of Kosovo Polje in 1389. Such nationalist ideas did not however have much popular appeal at the time.

By 1986, however, the Serbian leadership's use of nationalism in the context of a worsening economic crisis was starting to have some effect. The Serbian Academy of Arts and Sciences produced a document called the Memorandum which was full of xenophobic nationalism, revising the history of Yugoslavia in order to rehabilitate the *Chetniks* (Serbian ultra-nationalist movement of WW2). Milosevic ensured that the Serbian Party leadership did not openly criticise the Memorandum, thereby encouraging the development of nationalism by the intelligentsia. And at this time the 'Kosovo Committee of Serbs and Montenegrins' began organising nationalist rallies in Kosovo and sending delegations to Belgrade demanding military rule in Kosovo. To back up their demands the Committee and their nationalist allies in Serbia launched an anti-Albanian campaign. Their allies included retired policemen, right wing intellectuals, a wing of the Orthodox Church and of course a significant section of the state and Party bureaucracy. The official media aided the campaign by printing racial slurs and the fabricated stories of the systematic rape of Serbian women by Albanian men in Kosovo[12]. Many Serbs were emigrating from Kosovo, not least due to the comparatively high rate of unemployment in the Province, and this was presented in the media as evidence of Albanian oppression of the Serb minority.

[12]There has been no conclusive confirmation to back up this claim of systematic rape, but that does not necessarily mean that it did not occur. Rape is often a weapon in war and the atmosphere in Kosovo could certainly be described as warlike at the time, with the dehumanisation of rivals that encourages rape well developed. But whilst there may well be some truth in the stories of rape of Serb women by Albanian separatists it is also clear that the Serbian media exploited such actions to their own ends and in doing so refused to be constrained by the facts.

By 1987, anti-Albanian discrimination was rife. Factories started to be built in Kosovo for Serbs only, Albanian families were evicted from Serb villages, sale of Serb-owned land to Albanians was prohibited, and Albanians heavily sentenced for minor crimes. The more liberal elements in the Serbian Party, grouped around Stambolic, became worried that the monster they had given sustenance to, if not created, was threatening to divide not just the Yugoslav working class but Yugoslavia itself, and so they sought to criticise the nationalist 'excesses'. But those grouped around Milosevic openly endorsed the rising nationalist sentiment recognising that it could serve to deflect the anger of Serbian workers away from their real enemies, justify repressive measures in Kosovo, and pressurise the Federal bureaucracy into making the desired constitutional changes. A struggle for control of the Serbian Party ensued and by September of that year the liberals had been defeated and Milosevic was in power.

The battle to impose a solution to the crisis continued throughout 1988 along regional lines. Slovene and Croat leaders continued to demand the unleashing of market forces, which the L.D.R. leaderships resisted, recognising that such a move would imply a chronic devalorisation of their existing capital and little opportunity to accumulate further. Slovenia's rulers in particular, presiding over the most developed and Westernised of the M.D.R.s, were the most vocal in their desire to see increased local autonomy, political pluralism, and the introduction of private enterprises alongside self-managed ones. Whilst their economic demands were supported by Croatia alone, the demands for increased regional autonomy had the support of many in Bosnia, Vojvodina, and Kosovo as well.

The solution proposed by Serbia's leaders however was the restoration of a strong central government in Belgrade such that the motor of accumulation, the M.D.R.s, could be harnessed to the rest of the country, and the L.D.R.s developed more efficiently. And in this they enjoyed the support of the leaders of Macedonia and Montenegro who were grateful for Serbia's anti-Albanian campaign for allowing them to discriminate against their own Albanian populations.

The first hurdle, however, remained the Party leaders of Vojvodina and Kosovo. In the autumn of 1988 numerous nationalist rallies were organised. Throughout Serbia, and especially in Belgrade, huge rallies called for Serb unity, i.e. the unification of 'Greater Serbia', and solidarity with the armed Serbian vigilantes operating in Kosovo. Serbian nationalist rallies also took place in Vojvidina, Montenegro and Kosovo, leading to the replacement of Vojvodina's leaders with Milosevic-supporters in October, and those of Montenegro the following January. With big Serbian nationalist rallies planned to take place in Bosnia, Croatia, and Slovenia the Federal Party decided that it would have to appease Milosevic and agreed to allow for Vojvodina and Kosovo to be put under Serbian control.

Amidst much speculation of a break in the Federation, October 1988 saw the introduction of a number of Constitutional changes. As a concession to the leaders of the M.D.R.s there were a number of moves in the direction of freeing competition, scrapping the system of B.O.A.L.s and Compacts. And to appease the Serbian leadership the resignation of the Kosovo Party leaders was secured. This provoked massive demonstrations in Kosovo, and in February the following year, when the Serbian Party imposed their own officials on Kosovo's assembly in an attempt to speed up ratification of the Constitutional changes, Albanian workers responded with a general strike. Their demands for the retention of regional autonomy were rejected by the Federal leadership following big counter-demonstrations in Belgrade, and in March 1989 the Kosovo assembly finally agreed to accept direct rule from Belgrade. The news was greeted with celebrations by nationalists in Belgrade, but Albanian workers in Kosovo rioted until they were violently suppressed by the Federal Army. Since then tension has been high in Kosovo.

Nationalism was able to flourish amongst Serbian workers due to the fact that Milosevic sought to transfer increased value southwards from the M.D.R.s and that non-Serbian peasants and workers in the L.D.R.s would bear the brunt of the crisis. But its development did not go unopposed. Independent trade unions and other organisations formed to defend class interests and Serbian workers continued to strike against 'their' bosses. Indeed, strike activity increased in 1988, the most spectacular incident being the occupation of the Serbian parliament by 5,000 united Serb and Croat strikers from the cities of Vukovar and Borovo Selo in South-East Croatia. 1989 saw a further increase in strike activity and in 1990 moves to carry out the dismantling of the self-management apparatus and the privatisation of enterprises were abandoned in the face of violent strikes, not just in Serbia but throughout all the republics. Despite the growing influence of the nationalists those opposed to nationalism were able to mobilise mass support right up until the outbreak of the war. In March 1991, only months before the break away of Slovenia, 70,000 demonstrated in Belgrade against control of the media by Milosevic's nationalist lackeys. The demonstration was met with water cannons, tear gas, mounted police, rubber bullets and finally live ammunition leaving two dead (according to official figures). The next day saw big demonstrations throughout Serbia's towns and cities demanding the release of the 300 arrested and for the next four days there were mass demonstrations in Belgrade, including an ongoing occupation of the main square. But despite the fact that Serbian workers were often able to win concessions from 'their' bosses struggles such as these

ultimately proved incapable of overcoming the divisions between the workers both within and between the different republics to the extent required to prevent the war.

This account of the development of Serbian nationalism shows the lie of those on the left who, in their desperation to back one faction of our class enemy against the other, seek to apologise for Serbian nationalism by arguing that it is merely a response to the threat posed by Croatian fascism. But this account does not explain the disintegration of Yugoslavia. It did not occur, as much of the bourgeois press initially argued, due to fear of Serbian domination on the parts of those nice liberals in Slovenia, Croatia and Bosnia. Let us shift our attention north-westwards.

ii) Slovenia and Croatia

Party leaders in Slovenia and Croatia observed what was happening in Belgrade with trepidation. But, despite talk of secession, what they really wanted was economic liberalisation and increased autonomy within a looser Yugoslav Federation. They certainly did not want the recentralisation of power in Belgrade, nor were they content with the 1988 Constitutional changes. But things would begin to change rapidly the following year; 1989 was the year that the Stalinist regimes of Eastern Europe crumbled, the year that the Berlin Wall fell.

During 1989 opposition parties formed in Slovenia and Croatia, committed to market forces and closer ties with W. European capital. Talk of solving the economic crisis by cutting themselves free from the millstone of the incompetitive L.D.R.s became louder, and nationalist tensions increased with a boycott of Slovene commodities in Serbia. In September the Slovenian assembly adopted Constitutional Amendments, including the right to secede and the right to decide whether any declaration of martial law in Belgrade should be extended to Slovenia. The leaders of Croatia and Bosnia were also increasingly lining up against Serbia.

In January 1990 the Federal Party congress broke up in disarray, and two months later the Slovenian and Croatian delegates failed to attend a Central Committee meeting in Belgrade, choosing instead to meet with Italians, Germans, Austrians and Hungarians in Slovenia, whilst the Bosnian delegation turned up in Belgrade only to leave again immediately. But it was to be the election of parliamentary parties in the M.D.R.s which had no affiliation with the leaders in the rest of the country that made secession look increasingly likely.

Slovenia and Croatia both staged elections in April 1990. In Slovenia the election largely revolved around the issue of secession, with the secessionists winning, although the election of Kukan, leader of the Slovenian Communist Party, to the position of President reflected a certain amount of caution. In Croatia the election brought Franjo Tujman, leader of the right-wing nationalist Croatian Democratic Union, to power. In the 1960s Tujman had engaged in historical revisionism, rewriting the history of WW2 and the *Ustashe* regime, and on coming to power set about their rehabilitation. The new Croatian Constitution declared Croatia to be the land of the Croats, giving no constitutional guarantees for the rights of minorities. The use of the Cyrillic alphabet for official communication was banned, even in areas where Serbs are the majority. The insignia and flags of the *Ustashe* began reappearing, 'Victims of Fascism' Square in Zagreb was renamed 'Croatian Heroes' Square. Serbian workers began to be sacked *en masse* from public sector jobs in order to reduce unemployment amongst Croatian workers and establish a new pattern of domination. And in a manner reminiscent of the bad old days arbitrary arrests, disappearances and the murder of Serbs started happening all over again.

Not surprisingly Croatia's Serbs started agitating for autonomous Serbian enclaves. In October 1990 they seized arms from police arsenals throughout Eastern Croatia and set up roadblocks, declaring the region autonomous and calling for the Federal Army to back them against the 'fascist government' in Zagreb. But within the enclaves *Chetnik* insignia were reappearing; many of the insurrectionists were pro Serbian nationalism as much as anti Croatian fascism.(The Serbian minority in Bosnia had also been agitating for autonomy and October 1990 also saw violent clashes between Bosnia's Serbs and Muslims. The reason for the trouble was the refusal of Serbs to commemorate the slaughter of Muslims by *Chetniks* in WW2[13].)

As previously noted the 1988 strikes in precisely this region of Eastern Croatia had demonstrated a significant degree of unity between Serbs and Croats. Two years on, however, and caught between rival nationalist militias, such unity appears to have been impossible to sustain. And whilst Croatian and Slovenian workers struck in 1990 along with workers in the other republics, opposition to nationalism seems to have been less fervent than in Serbia, largely because

[13]We use the term 'Muslim' with some reservations given the way the war in Bosnia has been portrayed at times as a tribal feud and the way in which Croatian and Serbian propagandists have used the 'fundamentalist bogey'. Whilst some of Bosnia's leaders have professed support for Islam most of those referred to as Muslims are in fact secular. The term seems to apply to all those in Bosnia who do not identify themselves as either Serbian or Croatian. We are simply using it for the sake of brevity.

of the potential benefits that workers in the M.D.R.s could accrue from independence (and that Croatian workers could gain at the expense of the Serbian minority in Croatia).

Vukovar

It could be said that the civil war had already started, but it would not start in earnest until the following summer. In December 1990 elections in Serbia and Montenegro had returned the renamed Y.C.P. to power, signalling to the leaders in the M.D.R.s that their demands were unlikely to be met. Slovenia's new rulers organised a referendum on whether they should secede should reforms not be forthcoming in the near future, and a huge majority voted in favour. Croatia also made Constitutional changes reserving the right to secession.

In Spring 1991 both announced their intention to ditch the Federation. The Federal Army leadership sought the declaration of a state of emergency in order to block the move, but the Federal leadership refused them. On June 25th 1991 Slovenia and Croatia declared themselves independent.

(6) The Conflict Begins.

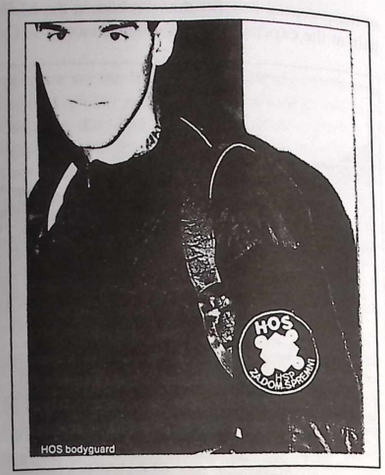
Outmanoeuvred politically the leadership of the Federal Army, now the *de facto* Federal power, responded militarily. On June 27th the Federal Army attempted to hold the Federation together through the seizure of Slovenia's border posts and main airport. Within only 10 days however, the Serb-dominated Federal Army leadership had to concede that Slovenia's secession could not be prevented. On the one hand the Federal Army met with fierce Slovene resistance. The previous year had seen both Slovenia and Croatia make moves towards turning those Federal forces under their control into independent national armies, which were blocked by the Federal leadership declaring such moves illegal and impounding weapons. But whilst almost all of Croatia's weaponry was impounded only 40% of that in Slovenian hands was recovered. Thus when the fighting started Slovenian forces were sufficiently well armed to encircle and cut off the Federal Army's Slovenian bases.

Another factor behind the Slovenian victory was resistance within the Federal Army itself. Military leaders had registered their concern about the loyalty of Federal troops in May 1991 when they began calling up Serbian reservists to form ethnically 'pure' tank regiments. But resistance to the war was not limited to non-Serbian troops, who in 1991 made up only 40% of Federal Army manpower. Indeed it has been reported that since the war began a staggering 80% of Federal Army conscripts have deserted!

Resistance within the Federal Army was backed up by anti-war protests in Serbia itself. The independent trade unions and other organisations which had been set up to oppose the development of nationalism in Serbia in the late 1980's quickly established themselves as the foundations upon which an anti-war movement could be built. Two days after the outbreak of the war anti-war protesters, including many mothers of conscripts, stormed the Serbian parliament in Belgrade demanding the withdrawal of the Yugoslav Army from Slovenia.

Whilst the weakness of the Federal Army meant that Slovenia's secession had to be accepted as a *fait accompli*, the situation regarding Croatia differed for a number of reasons. Not only were the Croat forces not as well armed as the

Slovenians, more importantly Croatia's leaders already had a major problem on their hands in the form of *Chetnik* revivalism amongst Croatia's Serbian population. Following the declaration of independence, tensions between Croatia's rival ethnic groups increased further, and there were numerous reports of armed clashes. Thus when the Serbian leaders of the Federal Army switched their attention towards Croatia they were able to allow *Chetnik* forces to do most of the fighting. In this way the Serb leaders were able to relegate the potentially unreliable Federal Army to a supporting role, claiming in order to appease both 'the West' and the rest of the Federation that its role was one of neutral arbitration, whilst their aims were pursued by *Chetnik* guerrillas for whom reliability was not an issue. In this way the *Chetnik* /Federal Army alliance was able to score a partial military victory over the forces of the Croatian Army (backed up in turn by guerrillas including H.O.S., the fascist movement reminiscent of the *Ustashe*). Whilst they were unable to achieve the total victory which might have preserved the Federation, albeit minus Slovenia, they were able to gain control over the mainly Serbian regions, and have the gains consolidated by the U.N. cease-fire agreement. As previously noted the goal of a Greater Serbia had many supporters within the Serbian leadership. Whilst this was probably not the aim of the Serb leaders when they launched the Serb/Croat war in July 1991, the chances of being able to hold the Federation together decreased significantly following the German-led E.E.C. recognition of Croatian sovereignty on January 15th 1992. This, combined with the inability to ensure an absolute victory over the Croatian Army, must have been a major factor behind the shift in the aim of the Serbian leaders from that of preserving the Federation to that of a Greater Serbia.



HOS bodyguard

This shift was itself probably a major factor leading to the Bosnian declaration of independence in April 1992. The Bosnian leadership had long been moving closer to the leaders of the M.D.R.s (due to their support for regional autonomy), despite themselves presiding over a L.D.R. (although the Winter Olympics in Sarajevo in 1984 indicates a significant potential for foreign currency earnings through the development of skiing as a tourist industry). Now, not only were their fears of Serbian domination heightened, but they had also seen (admittedly confusing) signs of international support for secession in the cases of Slovenia and Croatia, and may have assumed that they would receive backing against Serbian retaliation. A spring referendum boycotted by the Serbian minority registered 99% support for independence. Bosnian Serbs and Croats had already been calling for the cantonisation of Bosnia to produce Serbian and Croatian enclaves which could subsequently join Greater Serbia and Greater Croatia respectively[14]. The announcement of the referendum result stirred them up, particularly the Serbian nationalists in Bosnia. Serb gunmen mounted barricades around Sarajevo on the night of March 2nd and the following night (to which Muslim militants responded by blocking off the Muslim quarter). Protesters immediately gathered at the barricades to demand their removal and were fired upon only to regroup and return with thousands more demonstrators. The multi-ethnic and well-integrated population of Bosnia's capital city had signalled their opposition to the nationalists in their midst, as did the population of the city of Tuzla by signing a statement against 'ethnicisation', but elsewhere in the country ethnic clashes escalated. When independence was declared the following month, and immediately recognised by the U.S., the war in Bosnia began.

Slobodan Milosevic and Franjo Tujman had met the previous month to discuss the partition of Bosnia between a Greater Serbia and a Greater Croatia. What had by this stage become a Serbian Army invaded Bosnia from one side to back up the *Chetnik* militia whilst Croatian forces invaded from the other. Anyone with eyes and ears must have a fair idea as to what has happened since. Serbian forces have seized about two-thirds of the country and Croatia much of the remainder, as the countryside, though not the cities, has seen neighbours take up arms against each other and, divided along ethnic lines, pursue a bloody civil war. All three of the warring parties have attempted to tighten their grip on the regions they control by driving out 'aliens' through the use of terror, including rape[15].

(7) Resistance To The War

[14]Fear of the consequences of a Muslim state based on the *Sharia* (Islamic law), which the Bosnian President had previously declared himself in favour of , may also have been a factor behind the opposition of (Catholic) Croats and (Orthodox) Serbs to independence.
[15]See 'Crimes against Women in Former Yugoslavia' in ***Bad Attitude*** no. 2.

At the forefront of the struggle against the war has been desertion and draft resistance; some media reports have indicated that the cities have been awash with those refusing to fight. In mid 1992 it was reported that over 100,000 Serbs had refused the call-up and that over 10,000 had been prosecuted for desertion. And Sarajevo is reputed to contain many Serbs, Croats and Muslims refusing to join or having fled from their respective armies.

Without wishing to appear too pessimistic, it does however seem that the anti-war movement has gradually lost its way. Exactly one year on from the demonstrations of March 1991 and there was another wave of demonstrations in Belgrade, this time against the war itself. But they were far smaller than the previous years and seemed to be far more dominated by students and school kids, with a truancy epidemic said to be sweeping through the capital. June 1992 saw 10,000 demonstrate in Belgrade and July 1992 saw a strike by 10,000 Belgrade students, but important though this resistance was it seems to have lost the ability to mobilise other sections of the working class. Then, following the announcement of Panic's participation in the Serbian elections on an anti-war platform, the demonstrations appear to have disappeared from Belgrade altogether as hopes were pinned on the democratic process. Whilst Belgrade voted solidly against the war voters elsewhere backed Milosevic, and the ultra-nationalists to his right gained about a third of the votes, largely from rural areas. Milosevic was returned to power and the hopes of the anti-war movement shattered[16].

Vague stories have surfaced of striking workers occupying railway lines in Vojvodina and Serbian tanks being diverted *en route* to the front to intimidate unruly workers. And June 1st 1992 saw the return of violent confrontations in Belgrade between the Serbian state and proletarians following the sacking of the President of the 'rump-Yugoslav Federation' by Milosevic. Such a development can only be for the good, despite the fact that opposition to Milosevic is an extremely confused amalgum of anti-nationalists and ultra-nationalists, for it signals that the war has not meant the irreversable defeat of the working class of Serbia[17]. But with Milosevic now in favour of a settlement to end the conflict due to pressures brought to bear by domestic opposition and the effects of sanctions, but unable to exert sufficient pressure on Bosnia's Serbs, the impact that an anti-war movement in Belgrade could have appears to be limited. What is really needed is opposition within Bosnia itself, and whilst opposition in Belgrade could serve as a filip to the small anti-war movements in other republics, the chances of its development in Bosnia are slim given that the cities are in ruins and their populations terrorized by bombardments and sniper fire. It is hard to be optimistic about the near future for the working class of former Yugoslavia. Given the severity and extent of the atrocities witnessed, the divisions between the various nationalities are likely to fester for many years to come.

(8) The International Context.

No account of Yugoslavia's descent into civil war would be adequate without reference to the massive changes in the surrounding geo-political order. As with many of the most significant events of recent years, from the Gulf War to the end of the Ethiopian war, the collapse of Somalia to the Italian corruption scandal, it was the crisis in the Soviet Union and the end of the Cold War that precipitated the disintegration of the Yugoslav Federation. Such a scenario would have been inconceivable whilst Yugoslavia straddled the border between East and West. Neither side would have allowed events to take their own course whilst the possibility remained of Yugoslavia going over to one side or the other.

The end of the Cold War meant the loss of any advantage Yugoslavia's rulers may have derived from their position as an unaligned nation placed strategically between rival Blocs. But more important has been the reorganisation of the European bourgeoisie following the fall of the Berlin Wall[18]. The process of European unification offers a stark choice to the rulers of the poorer countries on the fringes of the newly emerging power bloc. Either try to climb on board, in which case the position of poorer partner supplying cheap primary products and labour-power will, to a certain extent, be compensated for by financial aid. Or be left trying to keep afloat in the emerging 'Third World' of Europe, competing with other East European plus African, Asian, and Latin American economies to sell basic commodities inside 'Fortress Europe' or the other trade blocs. This fear of marginalisation from the main circuits of capital is perhaps the most important consequence of the collapse of the Eastern Bloc so far as Yugoslavia is concerned, forcing the tension between the M.D.R.s and the L.D.R.s to breaking point. The election of nationalist/secessionist politicians in the M.D.R.s was a consequence of this struggle against marginalisation. An undivided Yugoslavia could just as easily have gone the way of Albania as that of Hungary. Now, Slovenia and Croatia seem to have laid some of the necessary foundations for future economic recovery, with Slovenia in particular attracting significant amounts of

[16]Does this election result, the seige of Sarajevo and the destruction of cities such as Vukovar signal a divide between the urban and rural classes on the question of nationalism? We do not have sufficient information to say conclusively one way or another. Opinions on this matter would be welcome.
[17]Capital's victories can in any case only ever be provisional because it cannot eliminate antagonism, having to posit living labour as its opposite. Regarding the question of war one only has to remember how the first world war ended.
[18]See 'E.M.U.'s In The Class War' in Issue 1 of ***Aufheben.***

foreign investment capital which provides a source of revenue for the new state, whilst the poorer Southern nations seem destined for further economic deterioration on the periphery.

The end of the Cold War has also meant that 'The West' has lost much of the coherence that the opposition to 'communism' imposed, and major divisions within the bourgeoisie of Europe have emerged which have had a significant effect on the international response to the war in Yugoslavia, and which must therefore be examined. The major division is that between Germany, and to a lesser extent Austria and Italy, on the one hand and France, Britain and the rest of the E.E.C. on the other. Germany has strong economic interests in Croatia and Slovenia. Since its formation the German state has been as inclined to look Eastwards as Westwards, and whilst this process was blocked by the Cold War, since the *detente* of the 1970s German capital has been forging closer links with Eastern Europe. Following the fall of the Berlin Wall this process has accelerated as the German bourgeoisie have sought to develop a hinterland in which they can exploit cheap yet skilled labour and so undermine wages in Germany itself. To this end, having already encouraged Croatian and Slovenian separatism, the Bundestag pressed for early recognition of Croatia and Slovenia. They eventually forced E.E.C. recognition in January 1992 having unilaterally recognised them the preceding month. And whilst Croatia has been somewhat destabilised by the war, Germany has been able to begin the annexation of Slovenia to the Deutschmark zone. Around 40% of the foreign capital invested in Slovenia since independence has come from Germany (25% has been Austrian and 15% Italian, with many firms simply shifting factories from one side of the border to the other). And in relation to the war the German bourgeoisie have been pressing for an anti-Serbian position within the E.E.C., openly siding with Croatia to such an extent that many otherwise supportive liberals have been embarrassed by the blind eye turned towards Croatian fascism.

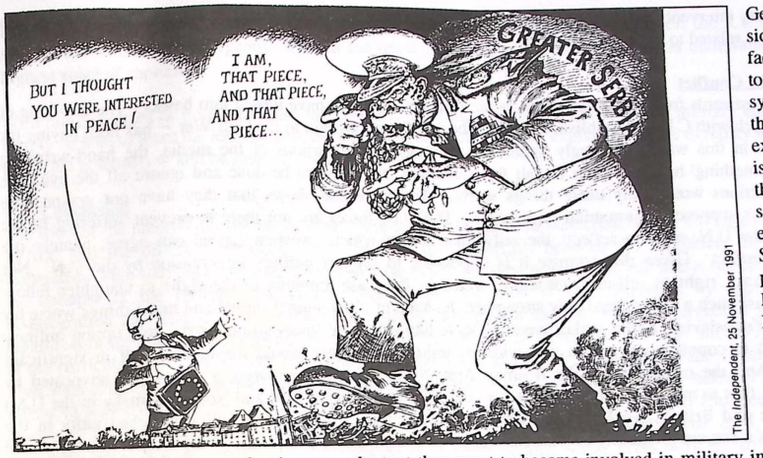
For the rest of the E.E.C., however, there is far less at stake in the conflict. Lacking the strong economic interests in the region of the German bourgeoisie, and given that there is little money to be made out of this particular war, the primary consideration of the rest of Europe's rulers has been to minimise the destabilising effects of the war. Refugees are not required at a time of mass unemployment, and there was the possible danger of the conflict spreading to involve N.A.T.O. countries such as Greece (which supports Serbia) and Turkey (which supports Bosnia). Hence the main aim at the start of the conflict of the rest of the E.E.C. states was to preserve the status quo, obstinately refusing to recognise that the Federation was dead until forced to do so by Germany's actions.

This division between Germany and the rest of Europe paralysed the E.E.C.'s attempts to respond to the situation in Yugoslavia. So the main outside intervention has been mounted by the U.N., in which Germany is still denied the permanent seat on the Security Council that its economic might would warrant. The main power in the U.N. is of course the U.S.A., with Britain and France still enjoying a major role as well. And once more a division has emerged. American interests in the region are hard to identify, but in opposition to German support for Croatia, and at odds with the position of the rest of the E.E.C., the United States appears to have supported Bosnia. When Croatia and Slovenia declared themselves independent the U.S. reiterated its position of supporting Yugoslav unity, recognising the Federal leadership as the legitimate power in the region. Then, when Bosnia declared its independence, U.S. recognition was immediately forthcoming. When the war in Bosnia began the U.S. repeatedly expressed a desire to arm the Bosnians, pressing for them to be exempted from the embargo imposed on the whole of former Yugoslavia, and has only recently come to realise that Bosnia has ceased to exist as such and would not therefore make much of an ally.

Given the lack of obvious interest in the region it is difficult to say why the U.S. took a position in opposition not just to Germany but also the rest of the E.E.C. One consideration may have been the fear that the Bosnian Muslims, at present renowned for their secular leanings, would be driven into the arms of fundamentalist regimes should they hold out the only possibility for real support. Another factor may have been the fear of the economic power of a 'Greater Germany', of the threat it would pose to U.S. hegemony, and thus the desire to have Bosnia as its bulwark against German expansionism. Yet another may have been the desire of a beleaguered presidential regime for a foreign policy success to deflect criticism in the same way its predecessor used the Gulf War. But whilst the State Dept. and foreign policy advisers urged Clinton to get involved the Pentagon was resolutely opposed, recognising the potential hazards. This left the U.S. President urging intervention but refusing to join Britain and France in sending ground troops.

So where does the British Government stand in relation to all this?[19] The media has consistently taken an anti-Serbian position, first backing Croatia and then, when that became untenable, backing the 'poor Muslims'. And Margaret Thatcher has appeared on Croatian television calling for the British Government to arm the Croatians in their fight 'for democracy', and has, more recently, called for the arming of Bosnian Muslims. But whilst ideology plays its part, the war is being fought for real material interests, and it is clear that the British Government has no intention of joining

[19] As with the U.S. there are major divisions within the Government and even within the two main parties.


BUT I THOUGHT YOU WERE INTERESTED IN PEACE!
I AM, THAT PIECE, AND THAT PIECE, AND THAT PIECE...
GREATER SERBIA
The Independent, 25 November 1991

Germany in taking sides with Croatia. In fact the U.K. seems to be more sympathetic to Serbia, though not to the extent that Russia[20] is, and usually takes the stance that all the sides are as bad as each other even if the Serbians are more powerful. Britain, like most of the other E.E.C. states has little economic interest in the region, and would be as concerned as any about German predominance within Europe, but is more reluctant than most to become involved in military intervention, refusing to do anything more than police an agreement once it has been established between all the warring parties, because British troops would undoubtedly be expected to bear the brunt of any fighting, which would involve major casualties.

With no country willing to commit ground troops for military purposes the international actors seem set to limit their ambitions to containing the conflict[21] and letting it burn itself out. The Vance-Owen plan which sought to carve-up of Bosnia into semi-autonomous provinces, was scuppered by the fact that each of the parties attempted to further their gains, or in the Bosnian case reduce their losses by provoking military intervention on their behalf, before a 'final' settlement was reached. A three-way partition of Bosnia is now firmly on the agenda since all talk of U.N. military intervention to impose a settlement has long since been shown to be empty. Neither Kohl nor Clinton would have had their way, but Croatia will have made significant territorial gains and a Bosnia of sorts will remain. Neither Germany or the U.S. had enough to gain by acting unilaterally and destroying the fragile international consensus.

To return to the questions posed in the introduction, we now have to consider whether or not we are witnessing the opening salvos in a major European War. There are those for whom the very asking of this question proves our inability to learn the lessons of history. For them 'decadent capitalism' is inexorably driving towards a final apocalypse unless the cavalry arrive on cue. But the essence of capital is not war, nor even a drive towards it. It is the self-expansion of value, a process repeatedly requiring the re-establishment of certain preconditions. At certain historical junctures the imposition of these preconditions has proved impossible to obtain except through war, but not always. Whilst those who drone on about the lessons of history continue to live in the past we must recognise that history is only closed and certain when it is in the past. History is open and full of possibilities in its making because it is a living process made through the struggle of labour against capital, of life against death. Answers to questions such as these cannot, therefore, be merely presupposed, but require real analysis. There is no conclusive evidence that the events in former-Yugoslavia herald a much wider military confrontation. Indeed it seems likely that whilst hostilities in the Balkans will continue for a while the conflict is unlikely to spread. Greece's sabre-rattling over Macedonia seems to have been little more than an exercise in trying to encourage a national identity in a country plagued by working class opposition to austerity. And whilst tensions in Kosovo remain high the odds are stacked too firmly in Serbia's favour for it to become a battleground in the struggle between a 'Greater Albania' and 'Greater Serbia'.

The other question was whether the pattern of events in Yugoslavia are likely to be repeated throughout Eastern Europe. The division of Czechslovakia demonstrates that disintegration need not necessarily lead to war, whilst the many conflicts simmering in the former republics of the U.S.S.R. indicates that there remains a real possibility of further conflicts. Should such conflicts concern 'The West' more than the present one, due to a threat to strategic or economic

[20] Divisions are even deeper within the Russian state, with Yeltsin and his supporters keen to please 'the West', particularly the U.S., and his opponents, notably the old guard in the Red Army, more inclined towards backing their old Slavic allies.

[21] And containment of any possible uprisings in the immediate aftermath of the war.

interests, then military intervention would be a real possibilty. If only for this reason we therefore have to look at how the Left in Britain has related to the present conflict.

(9) The Left and the Conflict

As war has moved westwards from the Middle East to the Balkans, so doves have turned into hawks. The left-wing of the Labour party, which with C.N.D. established itself as the pacifist opposition to the Gulf War,[22] has been baying for military intervention in this war. Seemingly unable to penetrate the distortions of the media, the hand-wringing desperation to 'do something' has lead them to call for something, anything, to be done and ignore all the evidence showing that such actions would only make things worse. Their position shows that they have not grasped the hypocrisy of the U.N.'s supposedly humanitarian mission. The U.N. forces are not there to prevent suffering in the name of humanity; the U.N. mission reflects the only interests on which western capital can agree, namely the containment of the conflict. Given this premise it is impossible to support military intervention by the U.N. Not because of some abstract 'right to self-determination', which in this case amounts to the right to slaughter fellow proletarians, but because such a move could only strengthen the hand of international capital and make things worse for the working class of Yugoslavia. Aerial strikes were the most likely form of intervention, as the only option military leaders were prepared to countenance, and it was widely admitted that these would inevitably result in significant civilian casualties. And the exemption of the Bosnian Army from the arms embargo, a policy still advocated by Germany and the U.S. (not to mention Ken Livingstone in the U.K. and Edward Said and Noam Chomsky in the U.S.) but resisted by France and Britain, would clearly lead to an escalation in the fighting. Working class unity in the Balkans already seems a remote possibility and military intervention or the re-equipment of the Bosnian Army would postpone it even further.

The left of the Labour Party are not the only ones who have seen fit to alter their position on inter-capitalist wars. During the Gulf War the S.W.P. moved from an initial position (logically derived from their 'theory') of supporting 'anti-imperialist' Iraq, to one of simply opposing the allied war mission (in order to be able to recruit from the fringes of the pacifist movement to which they attatched themselves). This time they have adopted a class position on the war:

'The privations of war may lead workers to discover that their real enemies are the regimes which set them at war with one another.....That means turning towards class struggle as the only real basis for ending the war.'[23]

Whilst we must commend the S.W.P.'s recent conversion to a class position it does strike us as somewhat strange that it has occured in the present situation. They have seen fit to take sides in numerous wars where there has been serious working class opposition to the war, whilst they are now adopting a 'No War But The Class War' position in a situation where the opposition has been all but smashed. After ignoring class struggle in Iraq they are now inventing it in Bosnia.

Meanwhile the R.C.P. attempted to stake its claim to be the most solidly pro-Serbian faction of the British Left early on in the conflict. *Living Marxism* thoroughly prepared the ground for making inroads into the market as soon as U.N. intervention occured as 'the magazine that supports the Serbian boys'. Every month it avidly 'exposed' the latest reports of the atrocities perpetrated by the 'anti-imperialist' Serbian militias as 'lies', only to be left high and dry by the West's

[22] For an analysis of the opposition to the Gulf War see 'Lessons from the struggle against the Gulf War' in issue 1 of *Aufheben*.
[23] *Socialist Review* Issue 165, June 1993.

lack of intervention. The West's failure to perform its proper imperialist duties has left the R.C.P.'s position of tacit support for the Serbian bourgeoisie without the usual 'justification' that such a position undermines the needs of 'the highest stage of capitalism'.

With these changes in position within the Left it is clear that opposition to any future military engagement would not simply be able to learn the lessons from opposition to the Gulf War end expect to be able to replay the game on the same pitch; the goalposts would be found to have been moved.

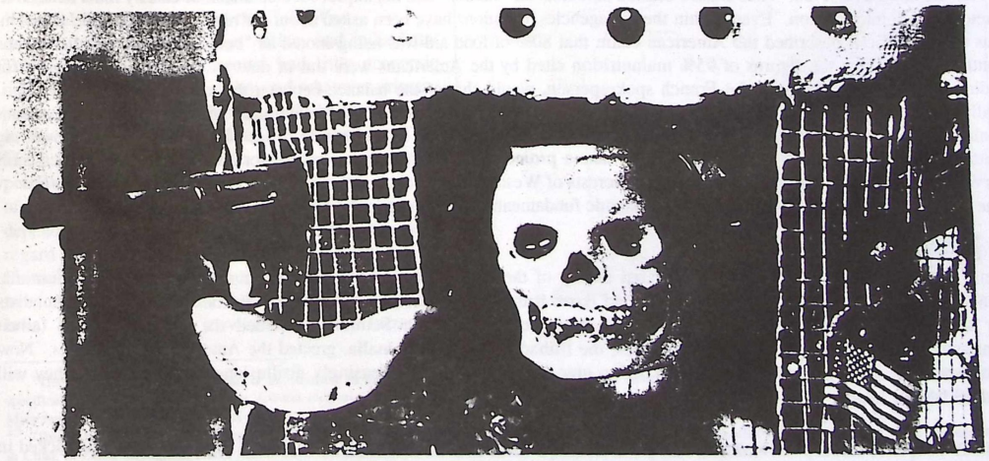
(10) Conclusion

The roots of the present conflict are located in the severity of the economic crisis which hit Yugoslavia at the end of the 1970's, and the different solutions which, due to the disparities between the republics, the different republican leaderships were striving to impose. The rapid changes in the surrounding political and economic order resulting from the collapse of the Eastern Bloc precipitated the disintegration of the Federation by upping the stakes. And disintegration has lead to war as each of the newly independent factions of the bourgeoisie pursues its own goals regardless of the consequences for others. We would have to say, however, that the slide into civil war is a consequence of the particularities of the history of Yugoslavia, notably the genocidal programme of the *Ustashe* during World War Two, memories of which provide nationalism in the Balkans with a particularly fertile basis. Furthermore, whilst the effects of regional disparities may be witnessed elsewhere, such as in Italy, in no other European country is there the degree of regional economic autonomy which the Yugoslav Republics enjoyed. The civil war in Yugoslavia is extremely unlikely to be repeated in the countries of Western Europe whose economies are so interpenetrated, whilst further conflicts could well emerge in the developing 'Third World' of Eastern Europe.

In contrast to other accounts of the civil war we hope to have demonstrated that the working class of Yugoslavia have not been mere passive victims of circumstance. The wave of struggles waged in the late 1960's forced Tito to curtail the rule of money over the lives of the working class by means of the 1974 Constitution. This in turn lead to their entrenchment and an inability of Yugoslav capital to raise the rate of surplus value sufficiently. As such the Yugoslav economy was particularly hard hit by Western standards when the world recession began to bite.

A period of open struggle ensued for most of the 1980's. Despite the fact that the Y.C.P. were unable to resolve the crisis of accumulation, by the late 1980's they were having increasing success in undermining the working class's ability to defend its previous gains. As the prospect of defeat began to stare the working class in the face so nationalist ideas began to gain increasing acceptance. This in turn undermined the ability of the working class to generalise its particular struggles. Struggles defeated in isolation encouraged nationalism which isolated struggles even further. From the graveyard of proletarian aspirations rose the ghost of nationalism, and the potential grave-diggers of Yugoslav capital began burying the corpses of their own class.

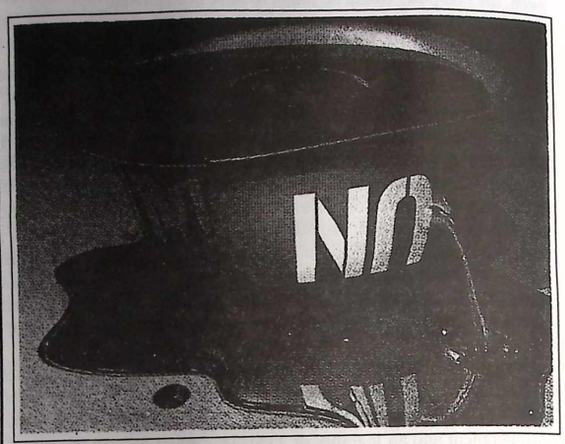
June 1993



Somalia and the 'Islamic Threat' to Global Capital

Introduction

When the killing of 23 Pakistani troops was followed by the massacre of Somali civilians and US air-strikes on the warlord General Aideed even the naivest liberals were sufficiently moved to denounce UN/US imperialism. Thus the very people who had been baying for UN intervention in Bosnia came face to face with its reality in Somalia. Although the air-strikes shattered the myth of UN 'peacekeeping', the 'precision bombing' of relief centres failed to end the shrill cries of the liberal-left for the military roll-back of the Bosnian Serbs. However many left-wing analyses have been little better, as they reduce the Somali people to merely passive victims of UN/US forces Once again the left presents the working class as having to be attacked by capital (which always seems to take the initiative) before it retaliates. Thus the working-class is reduced to a victim of capital rather than a movement which constantly imposes crises on capital. For example in Somalia, the inability of 'the Pakistani 'peace keepers' to repress class-struggle and thus impose capital's 'order' forced the return of the international enforcer, i.e. US forces, in their role as the ultimate guarantor for global capital. Thus the left's one-sided analyses of the recent events in Somalia has prompted us to take a deeper look at the region. This article asks why the UN/US were there in the first place and suggests an answer in terms of the rise of Islamic fundamentalism. With the fall of Stalinism, this is becoming the new ideological form of state capitalism in the Middle East, and is serving to mobilise the working class of the third world around national accumulation against global capital.



The landing of US forces in Somali in December 1992 saw the ludicrous spectacle of television camera crews jostling troops for space on the beaches. Yet the extent of the Somalian famine and its problems of food distribution had long ceased to be news by the time the marines arrived. Thus Bush's belated outbursts on "bandits" and his unprecedented attack of charity must be seen as a pretext for US intervention. Even within the aid agencies, questions have been asked about the reasons given for the invasion. Thus one UN official described the American claim that 80% of food aid was being looted as "bullshit", whilst Medicins sans Frontiers claimed that the figures of 95% malnutrition cited by the Americans were out of date and, again, just a pretext for sending troops in. Troops, said the French spokesperson, would shatter the balance between the aid agencies and the clans. Finally, we are told that some of the claims about starvation, and particularly displacement, are "absurd" given that Somalia's population is largely nomadic anyway. Thus problems have been raised, but the bourgeois critics of American intervention bring us little closer to a full explanation. We need to take a proletarian viewpoint in our search for answers. We must locate US intervention in Somalia in terms of the strategic interests of Western capital against the *particular forms of proletarian militancy* in the region, especially the apparent spread of Islamic fundamentalist influence in the Horn of Africa.

The Threat of Islamic Militancy

Islamic fundamentalism is the common declared enemy of the Americans, the UN and the major clan leaders in Somalia. Somalia is 100% Moslem, and although under Siad Barre it might have been regarded as an Islamic country, fundamentalists have never been happy with its laws. While the major clan leaders in Somalia welcomed the US intervention (albeit inconsistently), one of the country's Islamic parties, the Ittihad al Islami al Somalia, greeted the Americans with threats. Now the leaders of the main military factions have had to give assurances to an increasingly disillusioned population that they will introduce Islamic *shari'a* law.

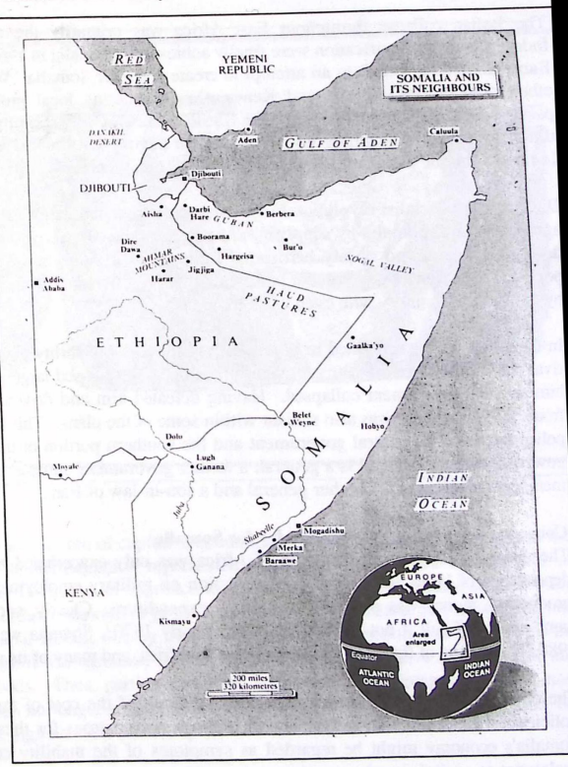
Groups of Islamic militants who have taken part in the civil war in Somalia are apparently backed by Sudan, which is backed in turn by Iran. Sudan itself has been engaged in a civil war; the (Arabic) north is trying to impose Islamic law on the ("African")

south. The southern forces are backed by Western interests, including people like Tiny Rowland. Sudan condemned the American intervention for destabilizing the region. Other politicians in the region see the US operation as a warning to the Khartoum government which has supported Islamic fundamentalist groups in both Africa and the Arab world. It is interesting to note in this respect that the envoy who headed the US mobilisation, Robert Oakley, is better known for running the Afghan mojahedin than for his relief efforts. The presence of the US forces may encourage Sudan to keep a low profile in case the troops are sent into the south of that country. The arrival of US troops also coincided with a growing secessionist tone from the southern troops fighting Khartoum.

Bush was at pains to emphasise that the intervention in Somalia was to be a very limited one. The aim was simply to get food into the region; that was all. As soon as this was achieved, the US troops could be gone. All this would fit with a scenario whereby the effects of the famine are ameliorated, yet the various dominant armed factions within the country are still ultimately able to struggle for political control. If they had been disarmed or defeated by the Americans, this would leave the way open for forces even less desirable, in the eyes of the American bourgeoisie, to make a bid for power. *The US force therefore hoped to create a degree of stability in Somalia in order to prevent a feared rise in Islamic fundamentalism.*

However, the spread of Islamic fundamentalism may not be the only reason for the operation; and indeed other explanations have been proposed by revolutionaries. Thus both *World Revolution*[24] and *Organise!*[25] have pointed to the conflict between the national capitals of Europe and the US over influence in the region. But if this is the explanation, why did the US hand over to the UN in May this year instead of retaining a permanent presence in the country?

Even if competition between Western states was a factor in the invasion, such an explanation is, in an important sense, back to front. The very need for influence in the region is itself a symptom of the requirement of capital to respond to particular proletarian struggles. *The form of the proletarian struggle determines the form of capital's development, both nationally and internationally.* "Operation Restore Hope" might therefore be best grasped in terms of its global context of class struggle and capitalist response.



To begin this process of understanding the American invasion from this perspective, we must briefly outline some of the recent history of Somalia and the Horn of Africa more generally.

Origin of the Present Situation:
The Old World Order and the Cold War

As with most of sub-Saharan Africa, and indeed the Third World in general, capital had little economic interest in the Horn of Africa beyond whatever primary products and raw materials that could be found there. In the case of the Horn of Africa these were few. Thus many aspects of pre-capitalist relations were able to persist. Among the peasants and proles, the survival of communal ties and the lack of a tradition of wage dependence fostered a sense of entitlements with regard to the distribution of wealth in the community. Communal ties are also responsible for the fact that most African proletarians fail to experience capital's laws as natural or inevitable. But increased

24 "The US action in Somalia is part of an offensive in the region of the Horn of Africa and the Middle East, an offensive throughout Africa to check the French specifically (also US actions in Algeria, Liberia etc.) an offensive which aims to eject France from its positions of strength on this continent (not only Djibouti, bu Mauritania, Senegal, Ivory Coast), and an offensive on the world scale, mainly aimed at Germany." (*World Revolution*,161; February 1993, p. 4).

25 "This forward camp for the USA on the East African coast can allow it to intervene against the interests of the French (or European) ruling class. It could interven in Chad, in Zaire, throughout North Africa where French interests are under threat, in particular in Algeria." (*Organise!* 30; April-June 1993, p. 6). However, th article also points to the operation's function of countering the menace of Islamic fundamentalism.

monetarization and commodification of social relations have gradually undermined traditional relations. However, capital accumulation has still been confined to narrow sectors, restricting the full development of modern capitalist social relations.

The general shift towards cash crops and plantation economies made sub-Saharan Africa increasingly unable to guarantee its own needs and thus prone to famine. In the Horn of Africa, the local business class makes most of its money in the import-export trade, which creates little employment and channels much wealth abroad. Capital-intensive export agriculture helped plunge the region into debt and soaked up the resources - land and capital - needed for food production.

However, while the Horn of Africa shared the problems of underdevelopment that have affected sub-Saharan Africa generally, it was also in a distinctive position. While of relatively little intrinsic economic interest, its geo-political location gave the region a strategic importance to the world powers. Firstly, it was of close proximity to the all-important oil production centres of the Middle East. Secondly, because it controlled the important trade route through the Suez Canal and the Red Sea. The history of Somalia is a story of imperialism and cold war rivalry.

A Short History of Long Imperialist Rivalries in Somalia

Somalia was colonised by the British and Italian states in the nineteenth century. To Britain, the Somali ports were useful as source of meat supplies to nearby Aden. The Italian state, the last colonial power in the country, developed lucrative banana plantations, often having to force recalcitrant peasants to work on them as slaves. Eventually bananas superseded hides as the country's main export; both these and meat remain important in Somalia's foreign trade.

The Italian collapse throughout East Africa was primarily the result of desertion by their African conscript forces[26]. Independence and unification were finally achieved in Somalia in 1960. In 1969, the army under Siad Barre seized power. Siad Barre courted the USSR in an attempt to create a greater Somalia. With military assistance, he hoped to take land occupied by ethnic Somalis in Ethiopia and Kenya, thus countering local proletarian militancy with an appeal to nationalism. The partnership was an attractive one to the USSR because of the proximity of the Horn of Africa to the oil-producing Gulf states and the Middle East in general. Soviet rewards for having bases on Somali territory comprised saturating Somalia with weaponry. In turn, Somalia, passed the weapons on to pro-Somali guerrillas fighting inside Ethiopia.

But the 1974 socialist revolution in Ethiopia created complications for the Soviet-Somali relationship. The USSR violated an agreement with Somalia by supplying arms to Ethiopia. Barre was already trying to get the West on his side when the USSR dropped Somalia and openly befriended Ethiopia in the Ogaden War. The break with the Soviet Union led to a wave of popularity for Barre's government in Somalia. Barre offered the abandoned Soviet military bases to the USA who rewarded him by flooding the country with even more weapons.

In the 1980s, Barre remained in power largely through his ability to play his enemies off against each other. But in 1991, the rival clan-based opposition fronts, whose ideologies were based largely on their desire for foreign backing, collaborated against him and his government collapsed. Having defeated him and driven him out of the country, however, the various anti-Barre fronts fell out. There was also schism within some of the clans. This has led to the current situation where there is no national police force and no central government and the southern portion of the country is split between rival "warlords". Of the most powerful warlords, Aideed is a general, a former government minister and ambassador to India, Mahdi is one of his former clan members and Morgan is another general and a son-in-law of Barre.

Consequences of Superpower Rivalry for Somalia

The underdevelopment of the Horn of Africa was only exacerbated by the flooding of arms into the area and by the high dependence of large sections of the population on military employment. Instead of being spent on developing the forces of production, money was poured into military expenditure. Clearly, such a priority makes even economic reproduction on the same scale difficult if not impossible. In the early 1970s, Somalia was self-sufficient in its food production; but by the mid-1980s, it was one of the most food-dependent in Africa, and many of its policies were dictated by the IMF[27].

The economic decline of Somalia was partly a result of the cost of the Ogaden War with Ethiopia. Also, Barre's economic policies for the banana and sugar export trade were disastrous for these industries. However, these factors in the decline of Somalia's economy might be regarded as symptoms of the inability of capital in Africa to screw quite as much out of the proletariat as capitals in other continents were able to do; capital and operating costs in Africa are more than 50% higher than in Southern Asia, where the return is also greater.

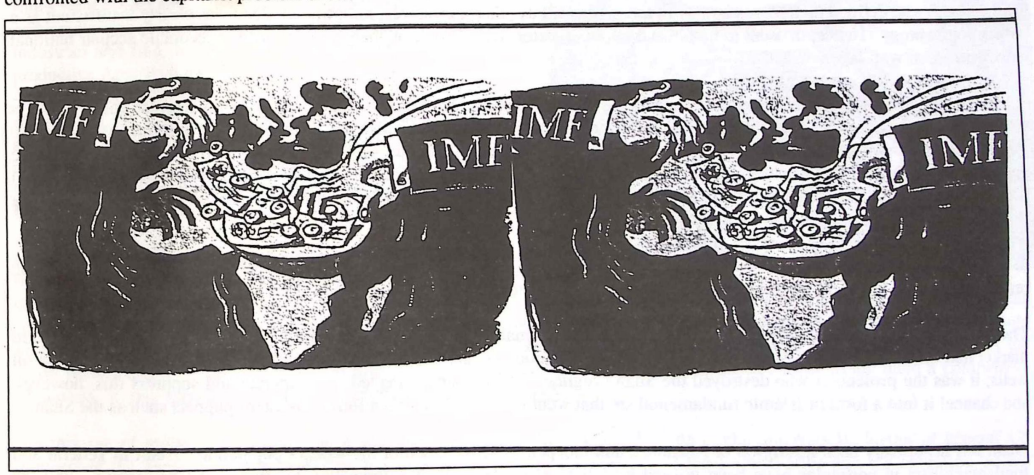
[26] See for example Sylvia Pankhurst (1951) *Ex-Italian Somaliland*. London: Watts & Co.

[27] It is important to note in regard to this that the debt crisis suited many African dictators as much as Western capitalists; maintaining the constraints imposed by debt can be a way of maintaining internal order in African countries.

In a context of spiralling food and fuel prices and shortages, there were riots in August 1987 in Mogadishu. These were enough to force the government to grant a number of concessions. The ruling class were no doubt mindful that similar disturbances in similar circumstances had heralded the Ethiopian revolution in 1974, terminating the long reign of Haile Selassie.

Africa for the most part did not benefit from the flight of capital out of the West following the proletarian offensive of the 1960s and 70s. Instead, the continent suffered the consequences of this flight. Faced with huge debts and spiralling interest rates and a stagnant world market in manufactured goods, newly industrialising countries such as Mexico and Brazil had little option but to increase the production and export of traditional primary products such as bananas, coffee, ores etc. This dramatic increase in the export of traditional Third World products forced prices down in the world market. This was catastrophic for Africa, pushing much of it to the brink of starvation. In the case of Somalia, by the end of the 1960s, the competitiveness of the country's leading crop and export - bananas - was already declining relative to Latin American producers such as Ecuador.[28]

This plight of Africa in the 1980s was made worse by the collapse of the USSR which meant that there was no longer superpower competition for influence through aid. This was particularly true of Somalia, which had been so dependent on superpower rivalry. With this lack of superpower competition over the region, Bush's decision to invade might seem rather anachronistic. Indeed, it was the US itself, in March 1992, which vetoed a proposed monitoring operation by the UN (apparently because of the cost), restricting the UN instead to delivering humanitarian aid. So why did Bush suddenly change his mind? To get closer to a possible answer we must turn to the general situation that faced the US. Thus we are once more confronted with the capitalist problem of *oil*.



The Importance of Oil in the Post-1945 World

Since the Second World War, the car industry has been the linchpin of capital accumulation. It has been the key industry in the *Fordist Mode of Accumulation*[29]. The Fordist Mode of Accumulation represented a compromise between the demands of capital and the needs of the Western proletariat following 1945. As an approach to industry, it allowed increased surplus value to be produced alongside increasing real wages. With Fordism, the rate of profit did not have to be sustained by raising the rate of exploitation through the "super-exploitation" of colonial labour, nor by the appropriation of monopoly profits through the restriction of the domestic market. Instead, the rate of profit was sustained through the production of relative surplus-value and the expansion of the domestic market for consumer goods. Thus, particularly after 1945, capitalism became based on mass production and mass consumption; capitalist corporations no longer sought to restrict production so as to maximise prices but rather sought to cut prices and maximise sales ("pile 'em high and sell 'em cheap").

The rapid expansion of the car industry, the Fordist industry *par excellence*, required the expansion of the coal, power and steel industries. But coal production, vulnerable to the militancy of miners, was becoming too risky for capital as a general source of

[28] *IMF Surveys of African Economies. Volume 2* (1969). Washington.

[29] See *Aufheben* 1, page 19, footnote 38.

energy. The dependency on oil for the smooth running of the car economy developed into a mad dash for the stuff in capital's desperate search for a general alternative energy source to coal.

With the growth of oil production in the Middle East came the rapid modernisation of social relations in previously traditional societies. The emergence of a national bourgeoisie with means to establish a national strategy of capital accumulation was accompanied by the appearance of an oil-producing proletariat. In the late 1970s, proles from Mexico to Nigeria to Iran used the higher price of oil to demand a better standard of living, higher wages, schools, hospitals etc. The price of oil went up to allow the Middle Eastern ruling classes to keep up with these demands. Much of the wealth generated by the higher oil prices imposed by OPEC went to proletarians instead of being invested in the industries which require high levels of technology and energy[30].

In the Third World, various nationalisms emerged as powerful ideologies to mobilise the emergent oil-producing classes behind the projects of national accumulation (over and against that of global accumulation of Western capital). Nasser in Egypt, the Ba'athist and Communist Parties in Iraq, Gaddafy in Libya and the PLO are all cases in point. While movements such as these divided the proles and inhibited the development of autonomous expressions of proletarian militancy, thus helping capital-in-general, they also threatened to some extent the particular interests of Western capital[31]. There was always the threat of Middle Eastern countries which had adopted these ideologies going over to the state capitalist Eastern bloc or cutting themselves off from Western capital in some other way, thus operating against the interests of global capital.

Islam Fostered as "Moderate" Alternative to Stalinism

As a modernising project, the ideologies of national accumulation had to be secular. But to people in nations only recently unified and who defined themselves largely in terms of tribal or other allegiances, nationalism alone was clearly insufficient as a unifying ideology. Hence, in order to mobilise traditional sectors (peasants etc.), there was the need to reconcile secular national modernisation with Islam.

There is no necessary conflict between Islam and the interests of capital. Although the Koran prohibits interest, there are ways of evading this, and capitalist developments have been uninhibited in many Moslem countries. The religion was therefore promoted by pro-Western conservative regimes as a safe alternative to Stalinism, as well as to prevent popular support for more radical nationalist ideologies and to divert the class struggle. For example, Israel promoted Hizbullah in the Gaza strip, General Zia promoted Islam in Pakistan, the US supported Moslem fighters against the Soviet-backed regime in Afghanistan, and the religion is still used effectively in Saudi Arabia.

In many cases, however, Islamic fundamentalism is getting out of control as far as Western capital is concerned[32]. Islamic practices threaten to cut off large areas from the world market, just as Stalinism threatened to do.

The first sign that the policy of using Islam to guarantee national capital accumulation and a firm relationship with the world market had backfired was the Iranian revolution. The revolution was sparked by oil strikes and the proletarian seizure of the oil wells; it was the proletariat who destroyed the Shah's regime. The mullahs managed to recuperate and suppress this, however, and channel it into a form of Islamic fundamentalism that went far beyond the intentions of Western puppets such as the Shah.

Islam has historically been a religion of resistance and independence for much of the world's population. Islam in general and fundamentalism in particular have been posited by followers as the authentic opposition to (Western) Christianity - and, by extension, as an alternative to democracy and capitalism. Islam is a more worldly, materialistic religion than Christianity, and easily accepts a role as a political force. Communalistic and egalitarian precepts to accept responsibilities to relatives and to fellow Moslems (regarded as forming a single "nation") can hamper capital accumulation. With the collapse of Stalinism as an embodied ideal and a potential patron, and with the discrediting of Arab nationalism, Islamic fundamentalism has emerged as the major alternative force. All these factors make the religion a potential substitute for Stalinism for both the oppressed Third World proletariat, who have little hope of overthrowing world capitalism by themselves, and the US bourgeoisie, which might require an external enemy in order to unify itself.

Like Stalinism, the Islamic fundamentalist ideology of the "export of the revolution" - so feared by Western capital - simply serves to consolidate *counter*-revolution at home. But the perceived threat to the interests of Western capital is real as well as illusory. The threat is *real* in that Islam is indeed a powerful means of mobilising the poor against the interests of Western

[30] See the Midnight Notes pamphlet *When Crusaders and Assassins Unite, Let the People Beware* (1990)

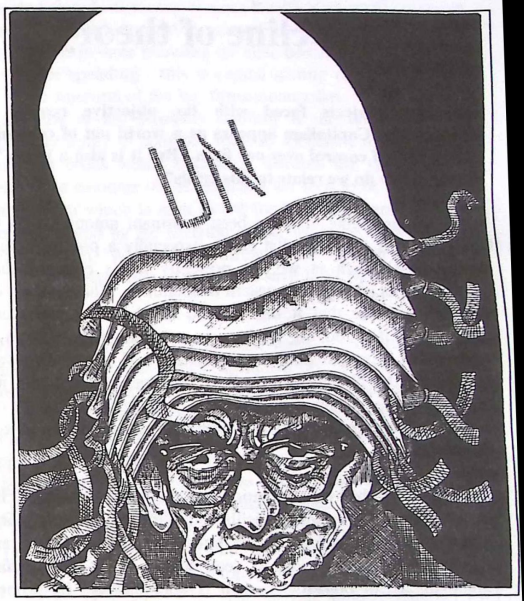
[31] However, because world capital is not a unitary force, particular modernising capitals have on occasion been able to use Third World nationalisms against rival capitals. Thus, in 1956, the US effectively sided with the nationalist government of Egypt by refusing to support French and British intervention to protect the latter's "ownership" of the Suez canal.

[32] We can infer from the call by Gaddafi in May this year that all fundamentalists should be killed without trial that this ideology is getting beyond the control of the Islamic socialists and is threatening them too.

capital. Evidence for this real threat comes from the increasing damage caused to the functioning of the Algerian and Egyptian economies by fundamentalist movements and terrorist groups. But the threat is *exaggerated* to provide a necessary powerful enemy through which to mobilise and unify the American bourgeoisie.

Military Expenditure as a Surrogate Industrial Policy

In the past, the American bourgeoisie was mobilised and unified by the Stalinist threat. Faced by the threat of Stalinism, military expenditure became a *surrogate industrial policy*. This surrogate industrial policy was particularly important because of the relative decline of the US as an economic power and the need for restructuring to meet competition from Japan and the Pacific Rim.



In contrast with previous administrations, Reagan abandoned all hope of defending the general competitiveness of American industry. The policy of competitive devaluation of the dollar was dropped; interest rates were pushed up to finance the growing budget, and trade deficits and the dollar were allowed to soar. Large swathes of the rust-belt industries in the North Eastern states were devastated. Under the guise of national security, state investment was able to circumvent the vested interests of the old industries and find its way to the more dynamic leading edge of productive American capital. SDI ("Star wars") is the most well -known example of this. Although militarily preposterous, it allowed capital to be shifted from rocket technology and the aerospace industry to the computer software and electronics industries. Indeed, SDI represented a massive state subsidy for these leading edge industries at a critical stage in their battle with Far East competitors.

More than this, however, Reagan also managed to re-orientate the world accumulation of capital around American military production. With more and more American mainstream industries falling behind to foreign-based competition, the American consumer could no longer be relied upon to buy American. However, military demand came from the *government* which could bias its specifications in favour of American-based capital. Through large military expenditures, the centre of gravity of the world accumulation of capital would shift towards military production where American-based capital would have a competitive advantage. In this way, the US could reassert its economic hegemony.

But this use of military expenditure as a surrogate industrial policy, overriding particular interests in favour of general US interests in the name of national security, has been in crisis since the collapse of the Eastern Bloc and the mounting budget deficits. It is no longer sustainable. Hence, American capital might be argued to be facing two choices. Strategy A entails limiting the cuts to maintain the policy of military accumulation as a surrogate economic policy by raising the spectre of Islamic fundamentalism. Strategy B would be to intervene directly in the economy with money financed through further defence cuts.

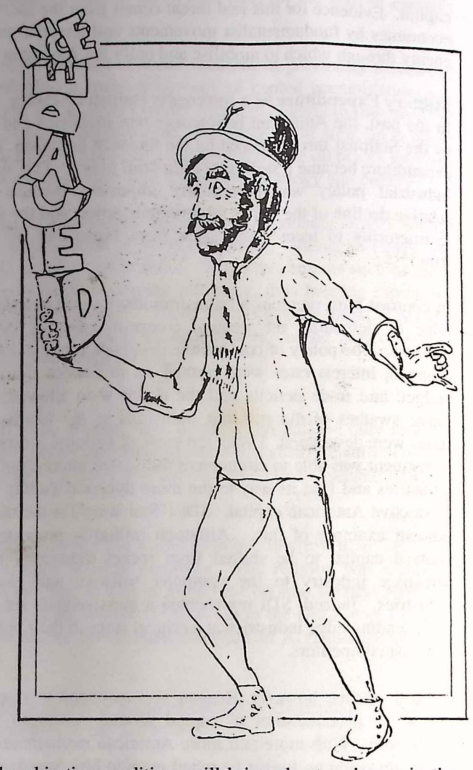
Back to Bush's Belated Invasion

This brings us directly back to the mystery of Bush's belated invasion of Somalia. We can conclude the present investigation by asking two questions regarding the manoeuvre. Firstly, prompted by the growing threat of Islamic fundamentalism in the Horn of Africa and North Africa generally, was the invasion an attempt to bounce Clinton into strategy A on behalf of the military/industrial faction of US capital? And, secondly, even if this is not the case, how far did the invasion address the real problems for Western capital of Islamic expansion in the area? The answer to the latter question may become clearer in the coming months.

May 1993

Decadence
The theory of decline or the decline of theory?

A] Introduction



We are subjects faced with the objective reality of capitalism. Capitalism appears as a world out of control - the denial of control over our lives. But it is also a world in crisis. How do we relate to this crisis?

One understanding that has been dominant among critics of capitalism is that capitalist crisis, especially a prolonged and severe crisis such as we are presently in, is evidence that capitalism as an objective system is declining. The meaning of decline is either that it has created the basis of 'socialism' and/or that it is moving by its own contradictions towards a breakdown. Capitalism, it is said, is a world system that was mature in the Nineteenth Century, but has now entered its decadent stage. In our view this theory of capitalist decline or of the decadence of capitalism hinders the project of abolishing that system.

It might seem a bad time to critique the theory of decadence. In the face of a widespread disillusion with the revolutionary project and with a lack of a working-class offensive there is an understandable temptation to seek refuge in the idea that capitalism as an objective system is after all past its prime, moribund, heading inexorably towards collapse. If the subjective movement for revolutionary change seems lacking, the severity of the present world crisis offers itself as evidence that the objective conditions will bring about a change in the prospects for revolution.

In the theory of decline a number of issues are intertwined - crisis, automatic breakdown, the periodising of capitalism into ascendant and decadent phases, the notion of transition and the ontological question of the relation of subject and object. At a general level we might say the theory of decline represents a way of looking at the crises of capitalism that sees them expressing an overall downward movement. A complication in looking at the theory is that it has numerous versions. Among those presenting themselves as revolutionaries the two principal variants of the theory are those of Trotskyism and left-communism which although similar in origin are substantially different in the way they effect their politics.[33] For some left-communists politics is virtually reduced to propagandising the masses with the message of capital's decadence, while for many Trotskyists the theory is often more in the background informing their theory of crisis and organisation if not their agitational work.

Essentially the theory suggests that capitalism as a system emerged, grew to maturity and has now entered its decline. The crises of capitalism are seen as evidence of a more severe underlying condition - the sickness of the capitalist system. Capitalist development brings about steadily increasing socialisation of the productive forces and at a certain point the capitalist forces of production are said to have moved into conflict with the relations of production. The concept of the decline of capitalism is bound up with a theory of the primacy of the productive forces. The driving force of history is seen as their contradiction with the relations of production. It is 'quintessentially' a marxist theory taking its understanding of the basic marxist position from the *Preface to the Contribution to a Critique of Political Economy.*[34]

[33] A reformist conception that development towards socialism is an inevitable process witnessed in the steady increase in the socialisation of the productive forces and the growth of the welfare state has also been widespread. The emphasis of this article will be on those who see capitalist decline as part of a revolutionary project.

[34] Here Marx writes "the guiding principle of my studies can be summarised as follows. In the social production of their existence, men inevitably enter into definite relations which are independent of their will, namely relations of production appropriate to a given stage in the development of their material forces of production... At a certain stage of development, the material productive forces of society come into conflict with the existing relations of production or - this merely expresses the same thing in legal terms - with the property relations within the framework of which they have operated hitherto. From forms of development of the productive forces these relations turn into their fetters. Then begins an era of social revolution... No social order is ever destroyed before all the productive forces for which it is sufficient have been developed, and new superior relations of production never replace older ones before the material conditions for their existence have matured within the framework of the old society... In broad outline, the Asiatic, ancient, feudal and modern bourgeois modes of production may be designated as epochs marking progress in the economic development of society." *Preface to the Contribution to a Critique of Political Economy* p 20/21.

For most versions of the theory the change from mature to declining capitalism is said to have occurred at a time around the First World War. The present form of capitalism is then characterised by declining or decaying features. Features identified with this change are the shift from *laissez faire* to monopoly capitalism, the dominance of finance capital, the increase in state planning, war production and imperialism. Monopoly capitalism indicates the growth of monopolies, cartels and the concentration of capital which has now reached the point of giant multinationals disposing of more wealth than small countries. At the same time in the phenomenon of finance capital, large amounts of capital are seen to escape linkage to particular labour processes and to move about in search of short term profits. In the increase in state planning the state becomes interpenetrated with the monopolies in various ways such as nationalisation and defence spending - this is capital getting organised. This planning is the state trying to regulate the workings of capitalism in the interests of the big firms/monopolies. Statification is seen as evidence of decay because it shows the objective socialisation of the economy snarling at the bit of capitalist appropriation; it is seen as capitalism in the age of its decline desperately trying to maintain itself by socialistic methods. The state spending and intervention is seen as a doomed attempt to avert crises which constantly threaten the system. War production is a particularly destructive form of state spending, where large amounts of the economy are seen to be taken up by essentially unproductive expenditure. This is closely related to imperialism which is seen as the fundamental characteristic of capitalism in the age of its decline. The 'epoch' is in fact said to be initiated by the division of the world between the great powers who have since fought two world wars to redistribute the world market. Wars and the threat of war are seen as evidence that capitalism's only way of continuing to exist is by destruction, it is suggested that if it can not save itself by other methods capitalism will plunge us into a war.

At the present unrewarding time for revolutionary politics it might then seem desirable to seek support for a revolutionary position in a theory offering an analysis of the objective development of history that shows capitalism on the way out. On the other hand some of the developments that have put pressure on a revolutionary position so making a theory of decline attractive undermine some of the presuppositions of at least some versions of the theory. The crisis of social democracy and literal collapse of the Soviet Union has been presented as a triumph of capitalism and as the end of history. In the West and East it used to be possible to point to an inexorable advance of socialistic forms as apparently concrete evidence of the movement of history being a progress towards socialism or communism. The notion that socialism represented progress was underpinned by the idea that capitalism had entered a declining or decadent phase. It was said that the socialisation of the productive forces was in sharp contradiction with private appropriation. Now with a move towards privatisation of nationalised concerns in the West, and the privatisation of the ruling class itself in the East, the idea that there is an inevitable movement towards socialism - an idea which has been so dominant on the left for the last 100 years - now stands undermined and the notion that history is on our side no longer seems plausible. With the failure of what was seen as 'actually existing socialism' and the rollback of social democratic forms, the identification of socialism with progress and the evolution of human society is thrown into doubt. It would seem that what has suffered a breakdown is not capitalism but history.

With the failure of what was seen as 'actually existing socialism' and the rollback of social democratic forms, the identification of socialism with progress and the evolution of human society is thrown into doubt. It would seem that what has suffered a breakdown is not capitalism but history.

Abandonment of the idea that the historical development of the productive forces is a progress towards socialism and communism has resulted in three main drifts in thought: 1) The abandonment of the project of abolishing capitalism and a turn to reformism of the existing system by the 'new realists', 'market socialists' etc. 2) The post-modern rejection of the notion of a developing totality, and denial of any meaning to history resulting in a celebration of what is, 3) The maintenance of an anti-capitalist perspective but identification of the problem as 'progress' or 'civilisation'; this romanticism involves the decision that the idea of historical movement was all wrong and what we really want to do is go back. These directions are not exclusive of course; post-modernist practice, to the extent it exists, is reformist while the anti-progress faction has roots in the post-modern attack on history. In the face of the poverty of these apparent alternatives it is understandable that many revolutionaries would wish to reaffirm a theory of decadence or decline - it is asserted that communism or socialism is still the necessary next stage of human evolution, that evolutionary course might have suffered a setback but we can still see in the crisis that capitalism is

breaking down. However in the face of unsatisfactory drifts in theory it is not the case that the only alternative is to reassert the fundamentals, rather we can and must critically re-examine them.

We can see the theory of decline represented by two main factions - Trotskyism and left-communism. With the hard left-communists the decadence theory is at the forefront of their analysis. Everything that happens is interpreted as evidence that decadence is increasing. This is exemplified in the approach of a group like the International Communist Current (ICC) for whom capitalist crisis has become chronic, 'all the great moments of proletarian struggle have been provoked by capitalist crises'. [pI] The crisis causes the proletariat to act and to become accessible to the 'intervention of revolutionaries'. The task of the revolutionaries is to spread the idea of capitalist decadence and the tasks it puts on the historic agenda. 'The intervention of revolutionaries within their class must first and foremost show how this collapse of the capitalist economy demonstrates more than ever the HISTORIC NECESSITY for the world communist revolution, while at the same time creating the possibility for realizing it.' [p III][35] The model is one of the objective reality of capitalist decadence, arising from its own dynamic, which makes world communist revolution necessary and possible, with the job of revolutionaries being to take this analysis to the class who will be objectively predisposed to receiving the message due to their experience of the crisis. So far no luck ! Still, for the theory's proponents the decadence can only get worse; our time will come.

For the Trots the theory is less up front but it still informs their analysis and practice. In comparison with the purist repetition of the eternal decadence line by the left-communist upholders of the theory, the Trots seem positively current in their following of political fashion, but behind this lies a similar position. Despite their willingness to recruit members by connecting to any struggle, Trotskyist parties have the same objectivist model of what capitalism is, and why it will break down. They gather members now and await the deluge when, due to capitalism's collapse, they will have the opportunity to grow and seize state power. The position of orthodox Trotskyism is expressed in the founding statement of the Fourth International in which Trotsky writes:

> The economic prerequisite for the proletarian revolution has already in general achieved the highest point of fruition that can be reached under capitalism. Mankind's productive forces stagnate... [p8] The objective prerequisites for the proletarian revolution have not only 'ripened'; they have begun to get somewhat rotten. Without a socialist revolution, in the next historical period at that, a catastrophe threatens the whole of mankind. The turn is now to the proletariat, i.e., chiefly to its revolutionary vanguard. The historical crisis of mankind is reduced to the crisis of the revolutionary leadership. [p9] [36]

significant difference in the theories is that the Trotskyist version historically identified the former Soviet Union as a (politically degenerated) part of the economically progressive movement of history while for the left communists it has exemplified the decadence of the period. Thus the Trotskyist theory of decline, which tended to see the Soviet Union as progressive and proof of the transitional nature of the epoch, has been more bothered by the collapse than the left-communists for whom it was just state capitalism and for whom its fate was just grist to the mill of the notion of capitalism's permanent crisis. Despite their antipathy to other parts of the 'left wing of capital's' programme, it is the general statements by Trotskyists about the decadence of capital that the left commies find themselves in agreement with. In fact the ICC even think that the inadequacies of the Trotskyist theory stem from it not having a proper conception of decadence. The underlying similarity in the theories can be identified in an account of their history. Both the Trots and the left-communists claim the mantle of the heritage of the historical workers' movement. Both trace their heritage through the Second International, and their argument is whether it is in Lenin and Trotsky or figures such as Pannekoek and Bordiga that the classic marxist tradition is continued after 1917 or some such date. If then we wish to understand and assess the theory of the decline of capitalism, we need to trace its history back to Second International Marxism.

B] The history of the concept and its political importance.

The theory of capitalist decadence first comes to prominence in the Second International. The Erfurt Programme supported by Engels established the theory of the decline and breakdown of capitalism as central to the party's programme:

> private property in the means of production has changed... From a motive power of progress it has become a cause of social degradation and bankruptcy. Its downfall is certain. The only question to be answered is: shall the system of private ownership in the means of production be allowed to pull society with itself down into the abyss; or shall society

[35] ICC pamphlet *The Decadence of Capitalism.*

[36] *The Death Agony of Capitalism and the Tasks of the Fourth International* 1938 reprinted 1988 by the Workers Revolutionary Party who state that "its message is more relevant than ever".

shake off that burden and then, free and strong, resume the path of progress which the evolutionary path prescribes to it ?[p 87] The productive forces that have been generated in capitalist society have become irreconcilable with the very system of property on which it is built. The endeavour to uphold this system of property renders impossible all further social development, condemns society to stagnation and decay. [p 88] The capitalist social system has run its course; its dissolution is now only a question of time. Irresistible economic forces lead with the certainty of doom to the shipwreck of capitalist production. The erection of a new social order for the existing one is no longer something merely desirable; it has become something inevitable. [p 117] As things stand today capitalist civilisation cannot continue; we must either move forward into socialism or fall back into barbarism. [p 118] the history of mankind is determined not by ideas, but by an economic development which progresses irresistibly, obedient to certain underlying laws and not to anyone's wishes or whims. [p119] [37]

As well as this insistence on the inevitable collapse of capitalism by its inner contradictions, the Erfurt Programme also contained eminently reformist goals and tactics and it was these that dominated the Second International whose practice became to build a set of socialist institutions and work through parliament. In this programme we see the recurrent themes of the theory of capitalism's decadence: the identification of the revolutionary project with the evolutionary progress of society; the ascribement of primacy to the economic laws of development of capital; and the reduction of revolutionary political activity to a reaction to that inevitable movement. Though it is insisted there is a need for political activity, it is seen to be at the service of an objective development. Socialism is seen not as the free creation of the proletariat but as the natural result of economic developments which the proletariat becomes heir to. It is this conception shared by those who present themselves as heirs of the 'classical marxist tradition' and thus the Second International that we must shake off. The Erfurt Programme was not just a compromise between the 'revolutionary' position that capitalism was coming to an end and the reformist remainder: this 'revolutionary' part had already converted the revolutionary conception of capitalism's downfall into a mechanistic, economistic and fatalistic one.

The Legacy of Marx

By adopting a theory of capitalist breakdown the Second International identified itself as the 'marxist' section of the workers movement. Indeed for most members of the Second International as for most members of Leninist parties today, Marx's *Capital* was the big unread work that proved the collapse of capitalism and the inevitability of socialism. The substance of the split in the First International is clouded by the personal acrimony between Marx and Bakunin. Following Debord, we can recognise that both Marx and Bakunin then, and the anarchist and the marxist positions since then, represent different strengths and weaknesses of the thought of the historical workers' movement. Organisationally while Marx failed to recognise the dangers of using the state, Bakunin's elitist conception of a hundred revolutionaries pulling the strings of a European revolution was also authoritarian. While 'marxists' have developed theory to understand the changes in capitalism but have often failed to ground that theory in revolutionary practice, the anarchists have maintained the truth of the need for revolutionary practice, but have not responded to the historical changes in capitalism to be able to find ways for this need to be realised. While the element of truth in the thought of anarchism must always be present in our critique, if we wish to develop theory we must address the marxist strand of that movement.[38]

While 'marxists' have developed theory to understand the changes in capitalism but have often failed to ground that theory in revolutionary practice, the anarchists have maintained the truth of the need for revolutionary practice, but have not responded to the historical changes in capitalism to be able to find ways for this need to be realised.

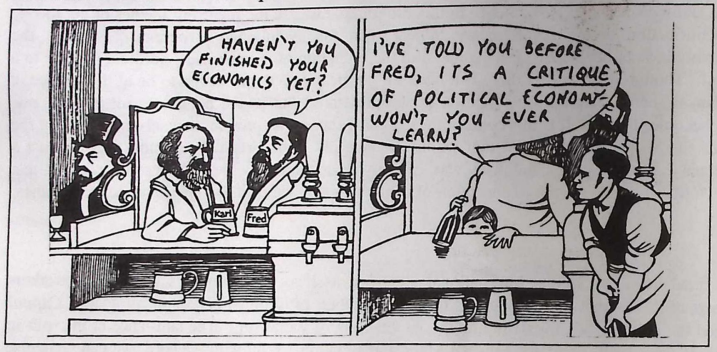
The question that arises then, is whether the Second International adopted the valuable point from Marx's side. As well as personal differences the split in the First International between Marx and Bakunin reflected a serious division on how to relate to capitalism. Marx's critique of political economy was a move away from a moral or utopian critique of capitalism. It marked a rejection of the simple view that capitalism is bad and we must overthrow it in favour of the need to understand the movement of capitalism to inform the practice of its overthrow. Marx and Bakunin's reactions to the Paris Commune show this. Bakunin applauded the action and tried to organise his hundred revolutionaries in the immanent revolution; Marx, while identifying the communards as having found the forms through which capitalism can be

[37] Karl Kautsky *The Class Struggle (Erfurt Program)* Norton Company, 1971 The Erfurt Programme was the official statement of the politics of the Social Democratic Party from 1891 until after the First World War.

[38] Our task is to contribute to the revolutionary theory of the proletariat which neither orthodox marxism nor anarchism represents. But the marxist strand of the historical worker's movement has developed the most important ideas that we need to address.

negated, thought the defeat showed the weakness of the proletariat at that time. What Marx's critique of political economy did was give a theory of capitalist development and its contradictions in which it is recognised that *capitalism is a transitory system of class rule* that has arisen from a previous class society but which is dynamic in a way beyond any previous system.

The Erfurt Programme and the practice of the Second International represented a particular interpretation of the insights of Marx's critique. The theory of the decline of capitalism is an interpretation of the meaning of Marx's insight that capitalism is a transitory system, an interpretation that turns the notion of a particular dynamic of development into a mechanistic and determinist theory of inevitable collapse. If we think that there is a value in Marx's work, a value that most marxists have lost, then what is it ? Marx analysed how the system of class rule and class struggle operates through the commodity, wage labour etc. Capitalism is essentially the movement of alienated labour, of the value-form. But that means that the 'objectivity' of capitalism as the movement of alienated labour is always open to rupture or alteration from the subjective side. An irony in the split in the First International is that Bakunin considered that Marx's 'economics' were fine. He did not recognise that Marx's contribution was not an economics but a *critique* of economics and thus a *critique* of the separation of politics and economics as well.[39] As we shall see, the Second International in their adoption of Marx's 'economics' made the same mistake of taking the critique of political economy offered to revolutionaries as an economics rather than as a critique of the social form of capitalist society.


HAVEN'T YOU FINISHED YOUR ECONOMICS YET?
Karl
Fred
I'VE TOLD YOU BEFORE FRED, ITS A CRITIQUE OF POLITICAL ECONOMY- WON'T YOU EVER LEARN?

Behind the breakdown theory is a notion of what socialism is: the solution to 'the capitalist anarchy of the market', the freeing of the forces of production from the fettering relations of private capitalist appropriation. Capitalism is seen as an irrational economy and socialism is seen as equivalent to a fully planned economy. The theorists of the movement were convinced that the movement was on their side, focusing on Marx's ideas that the joint stock system "is an abolition of capitalist private system on the basis of the capitalist system itself."[40] They thought the further socialisation of production evidenced in the extension of credit and joint-stock companies into trusts and monopolies was the basis for socialism. At some unspecified date a revolution would occur and the capitalists would lose their tenuous hold on the socialised productive forces which would fall into the hands of the workers who could continue their historic development.

This is an optimistic reading of the lines of capitalist development which gives the agency for social transformation to capital's drives towards centralisation and co-ordination. To base one's theory on how capitalism transforms into socialism on passages such as that above is founded on the belief that Capital volumes I-III gives a complete systematic and scientific account of capitalism and its destiny. It is to see Capital as essentially complete when it is not.[41] Engels prepared volumes II and III for publication, in which as in volume I, although there are intimations of capitalism's mortality, there is no finished theory of how capitalism declines and breaks down. Engels himself was tempted towards such a theory by the sustained depression of the 1870's and 80's, though he never finally settled on one. It was this crisis and Engel's speculative position on it that encouraged Kautsky to make capitalist collapse central to the Erfurt programme and it was the replacement of depression by a prolonged boom from the 1890's that then prompted the revisionist debate.

Revisionism and its False Opposition

The major proponent of revisionism was Bernstein, his opponent at first Kautsky but later and more interestingly Luxemburg. On one level Bernstein was arguing for the party to bring its theory into line with its tactics and to embrace reformism wholeheartedly. However the focus of his argument and the revisionist controversy was his insistence that the conception of economic decline and breakdown included in the Erfurt programme had been proved wrong by the end of the long depression and that the changes in capitalism - e.g. the growth of cartels, of world trade and of the credit system - showed it was able to

[39] Of course if Bakunin hadn't given Freilgrath his copy of Hegel's *Logic* who then lent it to Marx then Marx might not have arrived at such a total understanding of capitalism !
[40] *Capital III* p 570.
[41] The view that Capital was a complete work providing a full prescription for the end of capitalism was a position adopted by disciples but not by Marx himself. Kautsky once asked Marx when he would produce his completed works. Marx replied 'they would first have to be written.' .

resolve its tendency towards crisis. Bernstein argued that the legacy of Marx was dualistic, on the one hand a 'pure science of Marxist socialism', on the other an 'applied aspect' which included its commitment to revolution. The notion of decline and breakdown and the revolutionary position it implied was, Bernstein argued, scientifically wrong and it, and the dialectical element in Marx that prompted it, should be eliminated. In the heated arguments Bernstein and Kautsky engaged in a battle of statistics on whether the breakdown theory was correct.[42]

The important point about the revisionist debate was that both Kautsky and Bernstein were agreed on tactics - the furious dispute about theory hid a complicity about practice. What Kautsky defended and what Bernstein attacked was a caricature of revolutionary theory - theory become ideology due to its separation from practice. Moreover it was closer to Engel's Marxism than the ideas of Marx. Kautsky gained his credibility from his association with the two old men but his contact was almost exclusively with Engels. Kautsky continued the process started by Engels - in works such as the *Dialectics of Nature* - of losing the subject in a determinist evolutionary view of history.

When revolutionaries like Luxemburg intervened they were supporting a position that already contained the negation of a consistent revolutionary position. Luxemburg's criticism of Bernstein was at a deeper level than Kautsky's in that she recognised the extent to which his reading of Marx had lost its dialectical revolutionary aspect and had reduced it to the level of bourgeois economics. While Kautsky tried to argue that there was no problem of dualism in Marx's Capital, that the notion of the collapse of capitalism and the need for revolution was absolutely scientific, Luxemburg saw there was a dualism: 'the dualism of the socialist future and the capitalist present... the dualism of capital and labour, the dualism of the bourgeoisie and the proletariat. ... the dualism of the class antagonism writhing inside the social order of capitalism.'[43] In this we can see an attempt to reclaim the revolutionary perspective from the scientism of the Second International. However as she came to develop her own position on the collapse of capitalism a different form of dualism came to the fore. Her position was irreconcilably split between on the one hand revolutionary commitment and on the other an objectivist theory of capitalist collapse. Her theory of collapse was founded on a rereading of Marx's schemas[44] to show the eventual *impossibility* of the reproduction of capital when their purpose, although they indicate the precariousness of capitalist reproduction, is to show in what conditions it is *possible*. Surprisingly for someone who was committed to mass revolutionary action from below, her theory of capitalist crisis, decline and collapse was based entirely at the level of circulation and the market, and thus does not involve the proletariat at all. At the level of the schemas everyone is simply a buyer or a seller of commodities, and the workers can thus not be agents of struggle.

Luxemburg's theory of decline is premised on the postulation that capitalism needs external non-capitalist markets to absorb surplus profit and when these are exhausted its collapse is inevitable. This did not mean she was not committed to political combat; she did not suggest we should wait for the collapse, arguing that the proletariat would and had to make the revolution before that. But her position was nonetheless economistic, in that it postulated the collapse of capitalism from purely economic disequilibrium even though it was not economistic, in the sense of say the orthodox Second International theory which relied on those economic forces to bring about socialism. Luxemburg was a revolutionary and she participated in the revolution in Germany, but her conception of the capitalist process was wrong, based as it was on a misunderstanding of the role of Marx's schemas. However she thought that the scientific case had to be proven that capitalism could not expand indefinitely and it is in this imperative we find the key to the vehemence of the 'breakdown controversy'.

> the theory of capitalist decline as a theory of capitalism's collapse from its own objective contradictions involves an essentially contemplative stance before the objectivity of capitalism, while the real requirement for revolution is the breaking of that contemplative attitude.

The left of the Second International saw those who denied the bankruptcy of capitalism moving towards reformism and they conceded that such a move was natural for "If the capitalist mode of production can ensure boundless expansion of the productive forces of economic progress it is invincible indeed. The most important objective argument in support of a social theory breaks down! Socialist political action and the ideological import of the proletarian class struggle cease to reflect economic events, and socialism no longer appears an historic necessity."[45] For those who follow Luxemburg the reason to be revolutionary is because capitalism has an irresolvable crisis due to a purely economic tendency towards breakdown which

[42] Kautsky denied marxism contained a theory of breakdown but he defended one nonetheless.
[43] *Reform or Revolution* p 40.
[44] Marx's schemas of reproduction in vol II of *Capital* identify certain proportions that must exist between the production of means of production and means of subsistence if capitalist reproduction is to take place.
[45] *Accumulation of Capital* p 325.

becomes actualised when its foreign markets are exhausted. Capitalism's collapse and proletarian revolution are seen as essentially separate, and their connection lying only in the idea that the former makes the latter necessary.

While Luxemburg was absolutely committed to revolutionary action, and unlike Lenin was sure that such action had to be the self-action of the proletariat, she dualistically held that what made that action necessary was the fact that capitalism would otherwise collapse into barbarism. In that she was wrong; *capitalism will only collapse through proletarian action.* What needed to be argued with Bernstein was not that capitalism cannot resolve its problems by its own forms of planning (although it cannot ever permanently resolve its problems because they are rooted in the class struggle), for that only demands a socialist planned economy. What actually needed arguing was that the debate over whether the problems of capitalism could be resolved within capitalism or only by a socialist planned economy was missing the point. These problems are not our problems. Our problem is that of the alienation of not controlling our lives and activity. Even if capitalism could resolve its tendency towards crisis, which it cannot do because such a tendency is an expression of class antagonism, it would not answer our problem with it. '

But here's the rub. *The socialist economy as envisaged by Second International marxists was a solution to capitalism's problems, and as such was state capitalism.* The better left social-democrats[46] identified socialism with proletarian self-emancipation, but their underlying conflict with the state capitalist position of both the right and centre of the party became displaced on to a conflict with the revisionists over the question of economic collapse. This is not to say that the SDP and the Second International were simply a state capitalist party. They represented millions of workers real aspirations and it was often workers who had been members of Second International parties that took a lead in communist actions. But ideologically the Second International had state capitalist goals and those who went beyond these such as Luxemburg did so contradictorily. A part of that contradiction is represented in the maintenance of an objectivist theory of decline.

Bernstein attacked Kautsky and the Second International orthodoxy on the inevitability of breakdown and socialist revolution for fatalism and determinism, in favour of social reformism and the abandonment of revolutionary pretensions. But in point of fact the notion of deterministic economic evolution was the perfect counterpart of reformism. The breakdown theory of the Second International implied a fatalistic conception of the end of capitalism, and thus allowed reformism as an alternative to class struggle. The theory of decline/decadence put forward by the revolutionaries was different to that implicitly contained in the Erfurt Programme, for in people such as Luxemburg and Lenin the notion of economic collapse gets identified with the end result of a final stage of capitalism - imperialism/monopoly capitalism. In recognising the changes in capitalism they were in a curious way closer to Bernstein than Kautsky; they marked their opposition to his reformist conclusions by emphasising their commitment to the inevitability of breakdown. It was precisely those changes which Bernstein thought showed capital's resolution of any tendency to collapse, which they saw as expressive of it entering the final stage before its collapse.

The political question of reform or revolution gets bound up with a falsely empirical question of decline. For the left Social-democrats it is seen as essential to insist capitalism is in decay - is approaching its collapse. The meaning of 'marxism' is being inscribed as accepting that capitalism is bankrupt and thus that revolutionary action is necessary. Thus they do engage in revolutionary action, but as we have seen, because the focus is on the objective contradictions of the system with revolutionary subjective action a reaction to it, they do not relate to the true necessary prerequisite of the end of capitalism - *the concrete development of the revolutionary subject.* It seemed to the more revolutionary members of the movement such as Lenin and Luxemburg that a revolutionary position was a position of belief in breakdown while the theory of breakdown had in fact worked to allow a reformist position at the start of the Second International. The point was that the theory of capitalist decline as a theory of capitalism's collapse from its own objective contradictions involves an essentially contemplative stance before the objectivity of capitalism, while the real requirement for revolution is the breaking of that contemplative attitude. The fundamental problem with the revisionist debate in the Second International is that both sides shared an impoverished conception of the economy as simply the *production of things* when it is also the *production and reproduction of relations* which naturally involves people's consciousness of those relations.[47] This sort of economism (seeing an economy of things not social relations) tends towards the notion of the autonomous development of the productive forces of society and the neutrality of technology. With the economy seen in the former way, its development and collapse is a technical and quantitative matter. Because the Second International had this naturalistic idea of the meaning of the economic development of capitalism, they could maintain a belief in capitalism's collapse without any commitment to revolutionary practice. Because the left identify breakdown theory as revolutionary, Lenin could be surprised at how Kautsky, who wrote the Erfurt Programme version of that theory, could betray the revolutionary cause. When the left fought against the mainstream's complicity with capital they brought

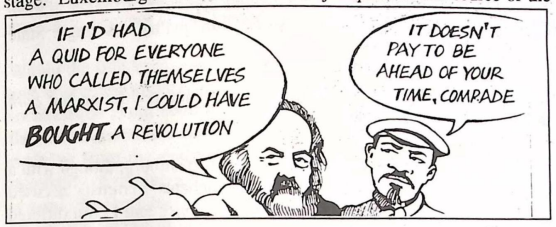
[46] Lenin was not particularly on the left. He was a good Second International marxist working in Russian conditions who saw Kautsky as a betrayer of the proper social democratic(hence state capitalist) position.
[47] See Colletti 'Bernstein and the Marxism of the Second International' in *From Rousseau to Lenin.*

the theory of breakdown with them. Thus the radical social democrats such as Lenin and Luxemburg combine revolutionary practice with a fatalistic theoretical position that has its origins in reformism.

To say that the Second International was guilty of economism, has become a common place. We have to think what it means in order to see whether the Trots and left-communists who might criticise the politics of the Second International have gone beyond its theory. It is our case that they have not, that they retain an impoverished Second Internationalist theory of the capitalist economy and its tendency towards crisis and collapse with political and social struggle promoted by this crisis at the economic level. This fails to grasp that the object we are faced with is the capital-wage labour *relation* i.e. the social relation of class exploitation that occurs right across capitalist society: the areas of reproduction, production, political, ideological are all intertwined moments of that relation and it is reproduced within the individual him or herself.

***Radical* Social Democracy**

It was with the radical social democrats such as Luxemburg, Lenin and Bukharin that the full conception of a decadent epoch of capitalism is arrived at - the notion that at a certain stage - usually around 1914 - capitalism switched into its final declining stage. Luxemburg's *The Accumulation of Capital* is one source of the theory of decline but most revolutionaries then and now disagreed with her account.[48] Other left social democrats such as Bukharin and Lenin founded their theory of imperialism and capitalism's decadent stage on Hilferding's *Finance Capital.* In this work Hilferding linked new features of the capitalist economy - the interpenetration of banks and joint-stock companies, the expansion of credit, restriction of competition through cartels and trusts - with expansionist foreign policy by the nation state. Hilferding, while seeing this stage as the decline of capitalism and transition to socialism, did not think capitalism would necessarily collapse or that its tendency towards war would necessarily be realised, and his politics tended towards reformism. The theories of Bukharin and Lenin produced after 1914 saw imperialism and war as the unavoidable policy of finance capital, they identified this form of capitalism as decisively the decline of the system because of the natural progression of finance capital and monopoly capital to imperialist expansion and war whose only further development had to be proletarian revolution.[49]


IF I'D HAD A QUID FOR EVERYONE WHO CALLED THEMSELVES A MARXIST, I COULD HAVE BOUGHT A REVOLUTION
IT DOESN'T PAY TO BE AHEAD OF YOUR TIME, COMPRADE

Lenin's *Imperialism,* which has become for his followers the crucial text for the modern epoch, defines the imperialist phase of capitalism "as capitalism in transition, or, more precisely, as moribund capitalism."[50] For Lenin, in the capitalist planning of the large companies it is "evident that we have socialisation of production, and not mere 'interlocking'; that private economic and private property relations constitute a shell which is no longer suitable for its contents, a shell which must inevitably decay if its removal is artificially delayed; a shell which may remain in a state of decay for a fairly long period, but which will inevitably be removed."[51] Lenin's text, like Bukharin's *Imperialism and World Economy,* which was a great influence on it, adopts Hilferding's analysis of the 'final stage of capitalism' - monopolies, finance capital, export of capital, formation of international cartels and trusts, territorial division of the world. But whereas Hilferding thought that these developments, particularly the state planning in this stage of 'organised capitalism', were progressive and would allow a peaceful advance to socialism, Lenin thought they showed that capitalism could not develop progressively any further. The continuity between the reformist theory of the Second International and the 'revolutionary' theory of the Bolsheviks in terms of the conception of socialism as capitalist socialisation of production under workers' control is one of the keys to the failings of the left in the Twentieth Century. Hilferding writes:

> The tendency of finance capital is to establish social control of production, but it is an antagonistic form of socialization, since the control of social production remains vested in an oligarchy. The struggle to dispossess this oligarchy constitutes the ultimate phase of the class struggle between bourgeoisie and proletariat.

[48] Except the ICC .
[49] Lenin suggests it is not enough for the proletariat to react subjectively to the war, the war itself must prepare the objective grounds for socialism:
"The dialectics of history is such that the war, by extraordinarily expediting the transformation of monopoly capitalism into state-monopoly capitalism, has *thereby* extraordinarily advanced mankind towards socialism.
Imperialist war is the eve of socialist revolution. And this is not only because the horrors of war give rise to proletarian revolt - no revolt can bring about socialism unless the economic conditions for socialism are ripe - but because state-monopoly capitalism is a complete *material* preparation for socialism, the *threshold* of socialism, a rung on the ladder of history between which and the rung called socialism *there are no intermediate rungs.* 'Impending catastrophe and How to Avoid It' Lenin *Collected Works 25* p 359.
[50] Lenin, *Imperialism the Highest Stage of Capitalism,* Progress Publishers 1982 p119.
[51] Ibid p119/120.

> The socializing function of finance capital facilitates enormously the task of overcoming capitalism. Once finance capital has brought the most important branches of production under its control, it is enough for society, through its conscious executive organ - the state conquered by the working class - to seize finance capital in order to gain immediate control of these branches of production... taking possession of six large Berlin banks would mean taking posession of the most important spheres of large-scale industry, and would greatly facilitate the initial phases of socialist policy during the transition period, when capitalist accounting might still prove useful[52]

Henryk Grossman, who as we shall see is one of the key theorists of decline, refers to this conception as 'the dream of a banker aspiring for power over industry through credit... the putchism of Auguste Blanqui translated into economics.'[53] Yet compare this with Lenin to whom Grossman feels nearer:

> Capitalism has created an accounting *apparatus* in the shape of the banks, syndicates, postal service, consumers' societies, and office employees' unions. *Without big banks socialism would be impossible.*
> The big banks *are* the "state apparatus" which we *need* to bring about socialism, and which we *take ready-made* from capitalism; our task here is merely to *lop-off* what *capitalistically mutilates* this excellent apparatus, to make it *even bigger,* even more democratic, even more comprehensive. Quantity will be transformed into quality. A single State Bank, the biggest of the big.. will be... the *skeleton* of socialist society.'[54]

Whilst Hilferding thinks this take over of finance capital can be done gradually, Lenin thinks it requires revolution but *both* identify socialism with the taking over of the forms of capitalist planning, organisation and work.

Imperialism as the stage of monopoly and finance capital was, for Lenin, capitalism's decadent stage. Luxemburg, though with a different analysis, had the similar conclusion that collapse was inevitable. In the internecine debates Leninists accused Luxemburg of a fatalism or spontaneism and of not believing in the class struggle. But although Luxemburg and Lenin differed in their analysis of imperialism their conception of capital's end was essentially the same - the development of capitalism heads towards the collapse of the system and it is up to revolutionaries to make it socialism and not barbarism. Neither of these thinkers were against class struggle; for both the idea is that the development of capitalism has reached a crisis point, thus now we need to act.

However, behind the similarity between Lenin and Luxemburg on the notion of capital entering its final stage there lay a considerable difference, in that while Luxemburg had to an extent criticised the statist model of socialist transformation held by Social Democracy, Lenin had not. In the arguments within social democracy following the Bolshevik revolution, Leninism was accused of voluntarism and defended as reasserting class struggle. What it was actually about was Lenin's maintaining of an objectivist position on what socialism is: the development of an objective dialectic within the economy combined with a voluntaristic view that it could be built. He rode the class struggle to get there - or more favourably responded to it and was carried forward by it - but when in power he started from above to develop the economy because that was what he identified socialism with. Lenin and the Bolsheviks made a political break from Second International marxism, specifically from the orthodox stages theory which implied for Russia that there had to be a bourgeois revolution before there could be a proletarian revolution. But this was not a fundamental break from the Second International's economistic theory of the productive forces. Trotsky's theory of the permanent revolution, which the Bolsheviks effectively adopted in 1917, was not premised on a critique of the reifed notion of the development of productive forces held by the Second International, but on an insistence on seeing such development at the level of the world market. The prerequisite for socialism was still seen as the development of the productive forces narrowly considered, it was simply seen that in its decadent highest stage capitalism would not provide that development for Russia.[55]

In considering the productive forces as neutral when they are capitalist the Bolsheviks became a capitalist force.

The Bolsheviks accepted that Russia needed its productive forces developed and that such development was identical with capitalist modernisation; they voluntaristically chose to develop them socialistically. The nature of combined and uneven development under imperialism meant that because capitalism was failing to develop itself, the Bolsheviks would have to do so. Of course they expected support from a revolution in Western Europe but in the introduction of Taylorism, capitalist specialists and one-man management etc. we see that the task which the Bolsheviks identified as socialist was in fact the development of

[52] Hilferding *Finance Capital* p 367/368.
[53] Grossman *The law of accumulation and Breakdown of the Capitalist System: being also a theory of crises* p 52.
[54] Lenin Can The Bolsheviks Retain State Power? *CW 26* p110.
[55] Is there mileage in the situationist criticism that Trotsky's was a theory of 'limited permanent revolution' while what is needed is a' generalised theory of permanent revolution'. *Situationist International Anthology* p 65.

the capitalist economy. These measures were not pushed on them by the pressure of events, they were part of their outlook from the beginning. In the same text from before the October revolution quoted earlier Lenin admits that "we need good organisers of banking and the amalgamation of enterprises" and that it will be necessary to "pay these specialists higher salaries during the transition period." but don't worry he states:

> We shall place them, however under comprehensive workers' control and we shall achieve the complete and absolute operation of the rule 'he who does not work, neither shall he eat.' We shall not invent the organisational form of the work, but take it ready-made from capitalism - we shall take over the banks, syndicates, the best factories, experimental stations, academies, and so forth; all that we shall have to do is to borrow the best models furnished by the advanced countries.[56]

While Hilferding had seen the role of state planning in the stage of 'organised capitalism' as the basis for a peaceful transition to socialism, Lenin was convinced of the need to take power. But he was in agreement that capitalist planning was the prototype for socialist planning. *For us revolution is the return of the subject to herself, for Lenin it was development of an object.* The defence of Lenin is that socialism was not possible in Russia so he waited for revolution in Germany. But his conception of socialism, like that of the Second International from which he never effectively broke, was state capitalism.

Within the Bolshevik and Second International conception the socialisation of the economy under capitalism was seen as neutral and unproblematically positive, with the anarchy of circulation being seen as the problem to be got rid of. But capitalist socialisation is not neutral; it is capitalist and thus in need of transformation. The Bolshevik measures are a direct product of their adherence to the Second International identification of socialism with planning. The notion of decline and decay is seen as evolving from the contradiction between the increasing socialisation of the productive forces - the increasing planning and rationality of production versus the anarchy and irrationality involved in capitalist appropriation through the market - the former is good, the latter bad. The solution implied by this way of conceiving the problem with capitalism is to extend planning to the circulation sphere as well, but both these sides are capitalist - the proletariat does not just take over capitalist control of the labour process and add control over consumption, it transforms all areas of life - the social regulation of the labour process is not the same as its capitalist regulation.

The economistic position of Second International marxism shared by the Bolsheviks dominated the worker's movement because it reflected a particular class composition - skilled technical and craft workers who identified with the productive process.[57] The view that socialism is about the development of the productive forces where they are considered as *economic* is a product of the lack of development of the productive forces considered as *social*.[58] One could say that at a certain level of development of the productive forces the tendency for a state capitalist/socialist programme was dominant and a truly revolutionary communist position harder to develop. The communist project was adopted by many workers but they did not manage to realise it. There is a problem in looking at history with the question whether it was possible for any particular revolution to win. It did not win then. Communism is never possible in the past only from the present to the future. What we can do is look for reasons why the project of communism was not realised then to inform our efforts to realise it now. What happened was a battle of forces in which the forces of capital increasingly took the form of a state capitalist worker's party. In considering the productive forces as neutral when they are capitalist the Bolsheviks became a capitalist force. In Stalinism the ideology of the productive forces reached new heights of crassness but while it had differences it also had continuity with the ideas of Trotsky and Lenin. The crushing of workers by the German Social Democrats and by the Russian Bolsheviks both expressed the victory of capital through the ideology of state capitalism. This is not to deny that there would be communist development but such a development would be the conscious acts of the freely associated producers and not the 'development of the productive forces', which presumes their separation from the subject.[59] It would not, as the Bolshevik modernisation programme did, have the same technical-economic content as capitalist development. Communism is not built from above, it can only be the movement of proletarian self-emancipation.

The Heritage of October

The two main proponents of the theory of decadence/decline trace their lineage to this period of war and revolution. And of course there were objective factors supporting the theory - the war was catastrophic[60] and it did appear that capitalism was clapped out. Yet the revolution failed.

[56] 'Lenin Can The Bolsheviks Retain State Power?' *CW 26* p 110.
[57] See Bologna 'Class Composition and the Theory of the Party at the Origin of the Workers Councils Movement' in *Telos*
[58] This is why Marx's statement that the greatest productive force is the revolutionary class itself is so important.
[59] As Marx remarks in the Grundrisse productive forces and relations are but two sides of the social individual.
[60] The word decadent does seem apt for a system that flings millions to their deaths but this would be to slip into a moral use of the term that the proponents of the theory would be the first to reject.

The Trotskyist form of Leninism has never made a successful break from the Second International conceptions of what constitutes the crisis of capitalism and thus what socialism should be. While Lenin adopted the theory that capitalism had entered its period of decay, he also insisted that no crisis was necessarily final. Trotsky on the other hand does write of inevitable collapse. His politics after 1917 was dominated by the idea that capitalism was in or approaching a final crisis from which revolution was inevitable. Trotsky's marxism was founded on the theory of the primacy of the productive forces and his understanding of the productive forces was crude and technical, not so very different from Stalin's: "Marxism sets out from the development of technique as the fundamental spring of progress, and constructs the communist programme on the dynamic of the productive forces."[61] When still part of the Soviet bureaucracy, Trotsky's mechanistic notion of the productive forces led him to justify militarisation of labour and to accuse workers resisting Taylorism of 'Tolstoyian romanticism'. When in exile it led his criticism of the Soviet Union to focus not on the position of the workers, whom he'd always being willing to shoot, but on its lack of technical development. He states "The strength and stability of regimes are determined in the long run by the relative productivity of their labour. A socialist economy possessing a technique superior to that of capitalism would really be guaranteed in its socialist development for sure - so to speak automatically - a thing which unfortunately it is still impossible to say about the Soviet economy."[62] On the other hand there was something that made Russia an advance on decadent capitalism: "The fundamental evil of the capitalist system is not the extravagance of the possessing classes, but the fact that in order to guarantee its right to extravagance the bourgeoisie maintains its private ownership of the means of production, thus condemning the economic system to anarchy and decay."[63] The Soviet Union for Trotsky was progressive because although it had a ruling strata living extravagantly, with planning it had gone beyond capitalist irrationality and decay. It was backward because it lacked technical development. The orthodox Trotskyist defence of the Soviet Union as a degenerated workers state was premised on the model of economic development which sees state control and planning as progress. Because of the change in the relations of production, or what for Trotsky amounted to the same thing the property relations, the regime was somehow positive.[64] This position was the logical expression of the theory that capitalist socialisation is positive, private appropriation negative, thus that if one gets rid of private appropriation - private property - you have socialism, or at least the transition to socialism. One can call it socialism but it is *state capitalism.*

The Falling Rate Of Profit

Trotskyism as a tradition thus betrays its claim to represent what was positive in the revolutionary wave of 1917-21. The importance of the left and council communists is that in their genuine emphasis on proletarian self-emancipation we can identify an important truth of that period against the Leninist representation. However in the wake of the defeat of the proletariat and in their isolation from its struggle, the small groups of left communists began to increasingly base their position on the objective analysis that capitalism was decadent. There was some development. In particular Henryk Grossman offered a meticulously worked out theory of collapse as an alternative to Luxemburg's. Instead of basing the theory of collapse on the exhaustion of non-capitalist markets he founded the theory on the falling rate of profit. Since then, nearly all orthodox marxist theories of crisis have been based on the falling rate of profit. In his theory, which he argues is Marx's, the tendency for the rate of profit to fall[65] leads to a fall in the relative mass of profit which is finally too small to continue accumulation. In Grossman's account capitalist collapse is a purely economic process, inevitable even if the working class remains a mere cog in capital's development. Grossman tries to preempt criticism:

> Because I deliberately confine myself to describing only the economic presuppositions of the breakdown of capitalism in this study, let me dispel any suspicion of 'pure economism' from the start. It is unnecessary to waste paper over the connection between economics and politics; that there is a connection is obvious. However, while Marxists have written extensively on the political revolution, they have neglected to deal theoretically with the economic aspect of the question and have failed to appreciate the true content of Marx's theory of breakdown. My sole concern here is to fill in this gap in the marxist tradition.[66]

[61] *Revolution Betrayed* p 45.
[62] *Revolution Betrayed* p 47/48.
[63] *Revolution Betrayed* p 19.
[64] The only Trotskyist grouping to adhere to a state capitalist theory of the Soviet Union has done the theory much discredit by continuing to uphold a state capitalist program i.e. a Second International idea of socialism. In part II we will consider whether the revisionism of the neo-Trotskyist SWP (International Socialists) amounts to a sufficient break.
[65] Capitalists gain profit by making workers work longer than necessary to replace the value of their wage. The rate of exploitation is then the ratio between the surplus labour workers are forced to perform and the necessary labour i.e. that which represents their wages. In value terms this can be expressed as surplus value/variable capital(wages) - s/v. However the workers also maintain the value of the machinery and materials going into production at the same time as they are creating new value . The value of their product can then be divided into a portion representing constant capital such as machinery and materials - c, an equivalent of their necessary labour - v, and surplus value - s. Capital's tendency is to increase the organic composition of capital - increase c relative to v. As the capitalists' rate of profit is s/(c+v), if c increasesthe rate of profit falls. This is of course only at the level of a tendency and the interplay with counteracting tendencies (such as an increase in exploitation and devaluation of fixed capital) needs to be considered. At an abstract level this tendency can be said to exist but whether an inexorable process of capitalist decline can be said to develop from it is precisely the point of argument.
[66] *The law of accumulation and Breakdown of the Capitalist System: being also a theory of crises* p 33.

For the objectivist marxist the connection is obvious, the economic and the political are separate, previous writings on the political are adequate and just need backing up with an economic case. The position of the follower of Grossman is thus: 1/ We have an understanding of economics that shows capitalism is declining, heading inexorably towards breakdown. 2/This shows the necessity of a political revolution to introduce a new economic order. The theory of politics has an external relation to the economic understanding of capitalism. Orthodox theories of capitalist crisis accept the reduction of working class activity to an activity of capital. The only action against capital is a political attack on the system which is seen to happen only when the system breaks down. Grossman's theory represents one of the most comprehensive attempts to declare Marx's Capital a complete *economics* providing the blueprint of capitalist collapse. He insists that "economic Marxism, as it has been bequeathed to us, is neither a *fragment* nor a *torso*, but represents in the main a fully elaborated system, that is, one without flaws."[67] This insistence on seeing Marx's *Capital* as being a complete work providing the proof of capitalism's decay and collapse is an essential feature of the worldview of the objectivist marxists. It means that the connection between politics and economics is obviously an external one. This is wrong; the connection is internal but to grasp this requires the recognition that *Capital* is incomplete and that the completion of its project requires an understanding of the political economy of the working class not just that of capital. But Grossman has categorically denied the possibility of this by his insistence that *Capital* is essentially a complete work.

What Grossman tried to do with *The Law of Accumulation...*, like Luxemburg had tried to do earlier, was to provide a materialist basis for the necessity of socialism. In this task they were in opposition to those who had started by trying to ground the socialist project on moral or subjective grounds but had ended up compromising totally with capitalism. But both Grossman's and Luxemburg's arguments displayed an impoverished conception of materialism, which was partly the result of taking *Capital* as Marx's final word on the end of capitalism. The radical needs of the proletariat that arise within capitalism are material forces, and it is on these forces rather than simply their reifed expression in the categories of *Capital* that the communist project is based.

Pannekoek

While left-communists maintained the classical general identification of decadence with the imperialist stage of capitalism, Grossman's more abstract theory rooted in the falling rate of profit tendency in *Capital* was enthusiastically adopted by many council communists, most prominently Mattick. Against this trend Pannekoek made a an important critique. In *The Theory of the Collapse of Capitalism*[68] Pannekoek, apart from showing how Grossman distorts Marx by selective quotation, develops some arguments that point beyond objectivist marxism. Although in his own way still a believer in the decline of capitalism, Pannekoek starts to make an essential attack on the separation of economics from politics and struggle: "Economics, as the totality of men working and striving to satisfy their subsistence needs, and politics (in its widest sense), as the action and struggle of these men as classes to satisfy their needs, form a single unified domain of law-governed development." [p 76] Pannekoek thereby insists that the collapse of capitalism is inseparable from the action of the proletariat in a social and political revolution. The dualism involved in seeing the breakdown of capitalism as quite separate from the development of revolutionary subjectivity in the proletariat means that while the working class is seen as necessary to provide the force of the revolution, there is no guarantee that they will be able to create a new order afterwards. Thus "a revolutionary group a party with socialist aims, would have to appear as a new governing power in place of the old in order to introduce some kind of planned economy. The theory of economic catastrophe is thus ready made for intellectuals who recognise the untenable character of capitalism and who want a planned economy to be built by capable economists and leaders." [p 80] Pannekoek also notes something that we see repeated today;[69] the attraction of Grossman's theory or other such theories of breakdown at times in which there is a lack of revolutionary activity. There is a temptation for those who identify themselves as revolutionaries to:

> wish on the stupefied masses a good economic catastrophe so that they finally come out of the slumber and enter into action. The theory according to which capitalism has today entered its final crisis also provides a decisive, and simple, refutation of reformism and all Party programmes which give priority to parliamentary work and trade union action - a demonstration of the necessity of revolutionary tactics which is so convenient that it must be greeted sympathetically by revolutionary groups. But the struggle is never so simple or convenient, not even the theoretical struggle for reasons and proofs.[p 80]

But, as Pannekoek continues, opposition to reformist tactics should not be based on a theory of the nature of the epoch but on the practical effects of those tactics. It is not necessary to believe in a final crisis to justify a revolutionary position; capitalism goes from crisis to crisis and the proletariat learns through its struggles. "In this process the destruction of capitalism is achieved. *The self-emancipation of the proletariat is the collapse of capitalism.*"[p 81, our emphasis] In this attempt to internally link the

[67] H. Grossmann "Die Anderung des ursprunglischen Aufbauplans des Marxschen 'Kapitals' und ihre Ursachen" quoted in *Rubel on Karl Marx* p151
[68] Reprinted in *Capital and Class* no 1 1977.
[69] Grossman's book has just been translated into English with an introduction by a RCP member.

theory of capitalism's limits with the movement of the proletariat Pannekoek made an essential move. How to grasp this linkage requires further work.

Fourth International and Left-Communism: Flipsides of the Objectivist Coin

While the small bands of left and council communists mostly adopted a theory of decadence the other claimant to the mantle of continuer of the marxist tradition -Trotskyism - was also making it central to their position. At the foundation of the Fourth International they adopted Trotsky's transitional programme *The Death Agony of Capitalism and the Tasks of the 4th International.* In this text the mechanistic conception of the capitalist economy and its decline which had previously justified the position of the bureaucracy, now meant that attempts by Stalinists "to hold back the wheel of history will demonstrate more clearly to the masses that the crisis in mankind's culture, can be resolved only by the Fourth International. [...] The problem of the sections of the Fourth International is to help the proletarian vanguard understand the general character and tempo of our epoch and to fructify in time the struggle of the masses with ever more resolute and militant organisational measures."[70] It might seem churlish to accuse the Trots over something written 50 years ago at a time of depression and impending war when it seemed more reasonable. Moreover, while it is the case that the orthodox trots will hold to every word, in Britain at least, revisionism is the order of the Trotskyist day. However the revisionist SWP and more revisionist RCP still hold to the essential thesis of decline induced crisis and the need for leadership. Trotsky's writings are marked by a rigid dichotomy between the objective conditions that is the state of the economy and the subjective, namely the existence or non-existence of the party. Capitalist crisis is an objective process of the economy and the decadence of capitalism will make that crisis severe enough to create an audience for the party which supplies the working class with the needed subjective element of consciousness and leadership. This conception of the relation between objectivity and subjectivity has to be contested.

What we are saying is *not* that proponents of decadence or decline do not believe in revolution - they quite manifestly do. The theory of decline is not a theory of automatic breakdown. Most of its proponents recognise that capital can generally gain temporary escape if the working class let it, but it is a theory which sees an inevitable tendency to breakdown coming from capital's own development and which sees the subjective problem as bringing consciousness into line with the facts. Our criticism is that their theory contemplates the development of capitalism, the practical consequences of which being the fact that the trots move after anything that moves in order to recruit for the final showdown while the left communists stand aloof waiting for the pure example of revolutionary action by the workers. Behind this apparent opposition in ways of relating to struggle, they share a conception of capitalism's collapse which means that they do not learn from the real movement. Although there is a tendency to slip into pronouncements that socialism is inevitable, in general for the decadence theorists the claim is not that socialism will come inevitably - we should not all go off to the pub - but that capitalism will breakdown. This theory can then accompany the Leninist building of an organisation in the present or else, as with Mattick, it may go with the view that we must await that moment of collapse when it will become possible to create a proper revolutionary organisation. Generally it is the former. The theory of decay and the Crisis is upheld and understood by the party, the proletariat must put itself behind its banner. That is to say 'we understand History, follow our banner'. The theory of decline fits comfortably with the Leninist theory of consciousness, which of course took much from Kautsky who ended his commentary on the Erfurt Programme with the prediction that the middle classes would stream "into the Socialist Party and hand in hand with the irresistibly advancing proletariat, follow its banner to victory and triumph."[71]

After the Second World War both the Trotskyists and Left-communists emerged committed to the view that capitalism was decadent and on the edge of collapse. Looking at the period that had just passed the theory was did not appear too unrealistic - the 1929 crash had been followed by depression through most of the thirties and then by another catastrophic war. Capitalism if not dying had looked pretty ill. Apart from their similar theories of decline both currents claimed to represent the true revolutionary tradition against the Stalinist falsification. Now, while we might say the left and council communists upheld some important truths of the experience of 1917-21 against the Leninist version upheld by the Trots, the objectivist economics and mechanical theory of crisis and collapse which they shared with the Leninists made them incapable of responding to the new situation characterised as it was by the long boom. *The revolutionaries of the next period would have to go beyond the positions of the last.*

while we might say the left and council communists upheld some important truths of the experience of 1917-21 against the Leninist version upheld by the Trots, the objectivist economics and mechanical theory of crisis and collapse which they shared with the Leninists made them incapable of responding to the new situation

[70] *The Death Agony of Capitalism and the Tasks of the Fourth International* p 11 and 23.
[71] *The Class Struggle* p 217.

After the Second World war capitalism entered one of its most sustained periods of expansion with growth rates not only greater than the interwar period but even greater than those of the great boom of classical capitalism which had caused the breakdown controversy in the Second International. A crisis ensued within Trotskyism because their guru had categorically taken the onset of the war as confirmation that capitalism was in its death throws and had confidently predicted that the war would herald both the collapse of capitalism and proletarian revolution to set up workers states in the West and to sort out the bureaucratic deformations in the East.[72] Trotsky had closely identified his version of marxism with the perception of capitalist bankruptcy and had written that if capitalism did recover sustained growth and if the Soviet union did not return to its true path then it would have to be said that "the socialist programme , based on the internal contradictions of capitalist society ended as a Utopia."[73] The tendency of orthodox Trotskyist groups from then on was to deny the facts and constantly preach that crisis was imminent.[74]

The fragments of left-communism were not so limited by identification with one leader's analysis (moreover many of their theorists were still alive). However, they like the Trots tended to see the post war expansion of capital as a short lived reconstructive boom. Essentially all these representatives of the theory of the post-WW1 proletarian offensive could offer was the basic position that capitalism had not resolved its contradictions - it just appeared to have done so. The basic thesis was right of course - capitalism had not resolved its contradictions - but these contradictions were expressing themselves in ways not grasped by the mechanistic theory of decline and collapse because it did not fully grasp the contradictions. The problem of how to relate to these contradictions in the post-war boom with its pattern in the advanced countries of social democratic politics, Keynesian economics, 'Fordist' mass production and mass consumerism, was the problem facing revolutionaries of this period.

When struggles started breaking out the new generation of radicals were antagonistic to the rigid schematic account of capital's crisis held by the old left. While the left-communist sects accepted this stoically many of the Trot groupings opportunistically followed the concerns of the New Left but only to grab recruits into their organisations who could then be persuaded of the doctrine of economic collapse. There were a number of groups - Socialism or Barbarism, the Situationist International, the autonomists - who attempted to escape the rigidities of the old workers movement and to re-develop revolutionary theory. In the second part of the article we will now look at some of the most important of them as well as at attempts to reassert a revised version of the theory. We shall evaluate the vitally important questions which these groups confronted and sought to solve: *What form was the struggle taking in these new conditions? What was the meaning of communism? How was revolution to be reinvented?*

TO BE CONTINUED...

[72] "The war will last until it exhausts all the resources of civilization or until it breaks its head on the revolution." Writings 1939-40 p151 He was also certain that the Stalinist oligarchy would be overthrown as a result of the war. Trying to deal with this particular contradiction of their master's thought with reality led the American SWP to claim in November 1945 that he was right, only the Second World War had not ended !
[73] *In Defence of Marxism* p 9.
[74] The SWP likes to claim that with its theory of the permanent arms economy it escaped the imminent crisis problematic of orthodox Trotskyism. In actual fact the Permanent Arms Economy theory was originally introduced as a stop gap to explain the temporary delay to the arrival of the big slump. As the slump continually failed to arrive the SWP then called the Socialist Review group gradually elaborated the notion into a full scale theory..

Introduction

The 'Intake' article this issue is taken from #60 of the German magazine Wildcat (Sisina, Postfach 360 527, D-1000 Berlin 36), a copy of which was sent to us with the request that it be circulated.

The text seeks to give an overview of the relationship between capitalist restructuring and immigration in Germany. Whilst we are well aware that the Fascists pose a real threat to German immigrants, the idea that they threaten to take state power in Germany (the '4th Reich') is a product of the media and some anti-fascists. Despite this the 'fascism/anti-fascism trap ' appears to be working; with the state focusing on right-wing violence in an attempt to make the public forget about the social and political crisis. Thus the state tries to exploit the majority's rejection of the extreme-right by imposing new laws (eg high sentences for 'violent crimes', 'against right and left extremism', increased surveillance etc...) which it then portrays as 'democratic'.

But the state has been unable to completely co-opt the anti-fascist movement. This was shown by the clashes between the left and the police at the government sponsored 'anti-racist' demonstration in Berlin on November 8th 1992, where Kohl was heckled by large sections of the crowd. And the recent murders of five Turkish women in Sollingen were followed by two nights of rioting and looting as the community vented its anger on the police and capitalist property. Indeed Turkish youths have begun to organise themselves into gangs to protect their communities from the far-right, resulting in running battles between themselves and the fascists.

Yet despite these actions the German state, with the help of the media, has managed to secure the general consensus that legal foreign workers are OK, whilst asylum seekers should be deported as rapidly as possible under the new 'fast-track' procedure.

Rostock
Or: How the New Germany is being Governed

Although the burning of ZASt [the central office for asylum claimants] in Rostock was made a symbol by the media and the Left, it is necessary to locate violence against asylum seekers in the general context of class struggle and capitalist restructuring currently occurring in Germany (and throughout Europe in general). This requires a detailed analysis which relates the riots in front of the asylum camps to housing shortages, rising unemployment, restructuring of the factories, state labour market policy, juvenile rebellion and so on. So far we have only partial answers to these questions, and there has been a tendency for anti-fascists to become fixated with re-runs of '33. But it is clear that the state is seeking to manipulate the conflicts around the 'asylum problem' in order to try out a new form of politics within Germany, ie a strategy of tension. The riots in front of the asylum camps nearly all had a common pattern: a heating up of the situation by the state, letting go of fascist groupings, protection of the riots against interventions by anti-fascists. Thus the riots serve as a smoke screen in an effort to distract the German working class from the welfare cuts decided last summer, and act to legitimise the further militarisation of the repressive apparatus. The attacks on foreigners are to enable a stronger heirarchisation of the labour movement and a fragmentation of the class. To a degree the state's policy is succeeding with a rise of racism within the class.

Migration into Metropolis

The destruction of possibilities for self-reproduction by capitalist development or non-development, wars, starvation in the case of Africa, the changes in the East, etc., are sparking off migration movements on a world wide scale. Millions of people are trying to reach regions where they are able to secure their survival (in a better way). Only a small percentage of these people have a chance of reaching Europe (due to large distances, and the high costs of travelling) and many of those who do arrive here are caught and turned back at the borders. However those who succeed in breaching 'fortress Europe' are subject to racist attacks both by the state apparatus and right-wing groups. At the moment, in all Western European countries intensified conflicts are taking place between natives from the lower layers of society (workers, welfare recipients, petit-bourgeois) and immigrants searching for self-reproduction possibilities: brawls between Greek and Albanian workers, attacks on Africans in Italy and France, arson against refugees' homes and street riots in Germany. The fact that the 'multicultural middle-classes' show up less doesn't mean they're less racist: for them, refugees initially provide no competition in the housing and labour markets, their kids don't have the problems of overcrowded school classes with a high percentage of foreigners, and asylum camps or ZASt are rarely if ever located in their neighbourhoods. In Germany, the demand for cheap labour has traditionally been met by immigrants. Until recently assimilated immigrants were able to secure wages approaching the levels of the worst paid Germans. Now German capitalists are trying to counteract this by a hierarchisation of immigration and a slowing down of the assimilation process. This is being accompanied by the implementation of seasonal contracts, and the use of casual workers from Poland, Yugoslavia, Hungary, Romania, CSFR, Bulgaria, Russia for much lower wages.

An illegal workforce is much cheaper for the single entrepreneur, but these 'illegal' immigrants pay no taxes or social contributions. However the German social system can only be financed by the immigration of a young workforce, whose education didn't cost the German state anything, and who are working here and filling up the coffers of the health insurers and pension funds, whilst receiving few, or no payments if they go back to their native countries. Thus the state has a financial interest in a legal regulation of migrant work. For this purpose, the Grundgesetz [provisional constitution of the BRD] article 16 which guarantees the individual the right to claim asylum and to stay in Germany until a court has decided upon the individual case is dysfunctional: after recruitment stoppage and the obligatory visa, it becomes the only way to legally come to Germany. It excludes the conditions of the free market and actually prevents the taking up of a job. But the concentration of immigrants in 'asylum houses' has served to make the refugees visible as a 'problem' whilst preventing contacts with other proletarians. Until now, this has worked quite well, preventing common struggles (eg. for decent housing). But the bureaucratic process hinders people from starting a 'normal' job. At the moment less than 10% of those caught crossing the border illegally say they are claiming 'asylum'; most of them want to 'work' here and would rather get deported and try again soon than be subject to displacement in the camps under bureaucratic control. The most rational solution for capital (to let the workforce in) would be an immigration law. But such a law would be a de-facto recognition of the rights of immigrants, hence other measures are being debated in order to provide a stronger hierarchisation of the 'foreign population' in Germany. But the pogroms are needed, too, to create the necessary 'pressure for action' for a change of the Grundgesetz and other measures - and to show the immigrants that they are second class people who are merely tolerated whilst they are 'willing' to do the jobs Germans won't.

Crisis of the Political Class - Crisis against the Workers

The scenario of hostility against foreigners, supported by both the state and media, takes place in the context of the deepest political crisis in German history. Central to this crisis is the breakdown of the political machinery; the parties are failing in their role of recuperating the desires of the working class in order to sustain capital. Now the parties only represent themselves, and no one pretends otherwise. The system of the party-state doesn't function anymore. Although the parties are co-operating in a great coalition of crisis-management, neither the SPD nor the ruling coalition have a political programme. Compared to this, the slogans of the right-wing parties seem simple and understandable: against the 'Islamisation' of Germany, against the ECU, the few available flats for Germans etc... Thus the traditional parties are losing votes, as a significant section of the electorate refuses to vote or casts it vote for right-wing and populist parties. This is particularly so in the former GDR, where the collapse of the civil rights movement has been followed by the emergence of a new scandal-ridden political class. With its nationalisation, the church , in GDR times an 'oppositional force', finds itself in a deep crisis. Accepting separate wage levels for East and West Germany, the unions have also gambled away previous successes. The financial crisis of the state is also sharpened by the high costs of re-unification (ie payments for unemployment in the East, the building-up of the infrastructure, subsidies to capitalists willing to invest). The high interest rates serve to keep the state budget financeable and to slow down the boom. But this crisis is not a specific 'German problem'. In France and Italy, already the Gulf War had been used for a slow-down. The re-unification of Germany first resulted in a separate development. But after the summer of '91, unrest also grew among the West German workforce, despite both the metal union IGM and the public sector unions calling off strikes. Since then, the ruling class has turned to a policy of high interest rates, a social pact , ie; a great coalition (and in our context: the deliberate escalation of the 'asylum problem', resulting in the introduction of new asylum laws on July 1st 1992). Now, simultaneously there is a slow-down of the boom, with factories being restructured for lean production, resulting in record levels of unemployment, the social cuts are deepening, and higher taxes and interest rates are eroding the value of wages.

As a result of a policy of high interest rates conducted through the European Monetary System, Germany is exporting its debts and unemployment into the other European countries - that is, into national economies already much deeper in crisis. The unrest in Greece and Italy shows that the bourgeoisie can't escape class struggle through the export of capital. They merely alter the location of this struggle. On this level, too, the Maastricht treaties have shown where Europe is heading: towards economic unification whilst delaying it at a political level., thus the illusion of 'social democratic' control of the EC has been postponed indefinitely. The reunification of Germany was conducted in a similar fashion as there was no 'political ' decision in a parliamentary sense, neatly illustrating the abdication of the political class. But, if an economic imperialism, ruled by anonymous bureaucrats and emergency governments, is capital's vision of future government, it would necessitate a substantial sharpening of repression in advance. In this case a strategy of tension would seek to drive the multi-party apparatus into coalition whilst repressing the social opposition. Whether it gets this far depends on working-class resistance. We must remember that the ruling class are not heading towards Europe voluntarily, but because they are unable to survive in a national form - our aim must be to help them to an all-European funeral instead!

Review:

The State Debate[75]
and
Post-Fordism and Social Form[76]

School, the police, social workers, the DSS, prisons....the proletarian rebel knows full well that the state is her enemy!

This immediate experience of the repressive nature of the state is a vital touchstone against those that would urge us to elicit state power to our advantage. Yet a simple gut reaction to the state is not enough; it is necessary that we understand both what the state is and how its role and function in the class war is changing. This has become vitally important in recent years. With the rise of the New Right under the libertarian banner of minimising the state, we are confronted with the wholesale privatisation of state provisions. In the face of the war of all against all of the market, state provision of welfare and the NHS etc. all too often seems the preferable false choice. Without a clear understanding of what the state is, and how its role and function are changing, it is all too easy to be led into either defending in isolation a simplistic anti-state position - a position that all too frequently ends up as seeing the state as simply an instrument of some grand conspiracy of capital - or else abandoning an anti-state perspective in practice and relapsing into liberal campaigns that seek simply to lobby the state for various reforms.

It is therefore vitally important that we develop our theory and understanding of the state. But where should we begin?

Together *The State Debate* and *Post-Fordism and Social Form* provide perhaps the most sophisticated Marxist theory concerning the state that has been developed in the last two decades, and both are worth consulting in order to come to an understanding of what the state is and how its role and functions are changing in the present period of capitalism.

The State Debate and *Post-Fordism and Social Form* are the first two books in a series that seeks to bring to a wider audience various debates and discussions that have emerged within the Conference of Socialist Economists, and its journal *Capital & Class*, over the past decade. As collections of papers by leading Marxist academics that make few concessions to the lay reader both these books appear at first sight rather formidable, if not dry and inaccessible to the non-initiated. However, the editorial introductions to both of these volumes go a long way towards placing these debates in context and seek to show how the collection of articles are not simply an irrelevant academic debate but a debate that has profound political and practical implications. Indeed, the editors of both volumes see themselves as partisans in fierce polemic, and they make no pretence of presenting an unbiased selection of papers. As Simon Clarke, the editor of *The State Debate*, readily admits:

> The papers by Colin Barker, Joachim Hirsch and Bob Jessop provide a flavour of other sides of this debate. However, I make no apologies for the balance of the collection, or for the partisanship of this introduction.[77]

Clarke, and Holloway and Bonefeld, the editors of *Post-Fordism and Social Form*, can be seen as on the same side in the underlying polemic that runs through both volumes. In this polemic Clarke, Holloway and Bonefeld side with those who seek to attack the prevailing structuralism and technological determinism of much modern Marxist theories of the state and the development of modern capitalism, which has led to the increasingly popular notions of Post-Fordism and the Post-Fordist state, by an insistence on seeing both the state and capital not as structures but as class struggle. The implications of which Holloway and Bonefeld make quite clear in the conclusion to their introduction to *Post-Fordism and Social Form*:

> There are two crucial issues in the discussion of Fordism and the Fordist state. The first is the nature of the present crisis. Is capitalism already on the way to overcoming the international crisis and to establishing a relatively stable basis for a new period of prosperity,

[75] *The State Debate*, Edited by S. Clarke, Macmillan 1991.
[76] *Post-Fordism and Social Form*, Edited by J.Holloway and W.Bonefeld, Macmillan 1991
[77] Introduction to *The State Debate*, page 1.

> as the post-Fordism thesis suggests, or are we still in the middle of a prolonged and quite unresolved crisis of overaccumulation, as Clarke suggests? The answer to this question affects dramatically how one sees the propects of world development and the urgency of the socialist destruction of capitalism. It is important to remember that the last major crisis of capitalism was resolved only through the destruction of millions of workers... . The second issue is how one understands the driving force of capitalist development. Given that there are major changes taking place in the pattern of capitalist social relations at the moment, how is one to understand these changes? As the replacement of one model by another, driven forward by the objective tendencies of capitalist development, or as a process taking place through constant, hard-fought struggle? If the former, we are confronted by a new reality, a closed structural-functionalist world which we are powerless to change, and all we can do is adapt or cry out in despair. But if the latter, we are faced with no "reality" other than the reality of a constant struggle, a struggle of which we are inevitably part.[78]

The State Debate And Post-Fordism and Social Form

For Clarke, the selection of papers he presents in *The State Debate* represent a re-emergence of a debate that originally began in the early 1970s and culminated in *State and Capital: A Marxist Debate* in 1978. Indeed, *The State Debate* could be seen as sequel to this earlier work. As a consequence, Clarke in his introduction sets out by tracing the development of this debate of the 1970s and placing it within its wider political and historical context.

For Clarke, the debate in the 1970s arose from the inadequacies of the traditional Marxist theories of the state that been inherited from the two wings of classical Marxism. On the one hand the Leninist theories of state monopoly capitalism saw the state as simply an instrument of monopoly capitalism which had to be smashed before a socialist state could be constructed through which the 'dictatorship of the proletariat' could then be imposed. On the hand reformist and revisionists theories took the state as being simply a neutral instrument that could be wielded to the advantage of which ever class was able to assume the reins of government.

For Clarke, both the Leninist and reformist approaches to the state ran into problems with the electoral advance of social democratic parties in the 1960s. The theory of state monopoly capitalism was unable to account for how it was possible for social democratic parties to take charge of the state apparatus and hence it was unable to provide an adequate theoretical basis to inform the politics of those socialists within such parties. At the same time the reformist approach was unable to define the limits of state power. It was therefore unable to explain the difficulties facing socialists in exercising state power to the advantage of the working class.

So, for socialists attempting to advance socialist policies within the state apparatus both the theory of state monopoly capitalism, which denied the possibility of democratic socialism, and reformist theories, which denied the obstacles and limits to democratic socialism, traditional Marxist theories had ceased to be adequate. But, as we shall see, there was a further inadequacy which for Clarke was to prove even more important. Both these strands of traditional Marxist theory centred on the question of seizing state power. For the largely libertarian orientation of much of the New Left of the 1960s and 1970s such an orientation towards state power was irrelevant. It was in response to this situation that the first attempts were made to develop a Marxist theory of the state, which gave rise to the great debate between Milliband and Poulantzas.

Miliband began by raising the all important question of why it was that the state, even if it had a democratic constitution and the majority of the population were working class, acted in the interest of the capitalist class? Why was it that even democratic states were capitalist states? Drawing from the empirical and commonsensical traditions of British academia Miliband's answer to this was simple enough. The state acted in the interest of the capitalist class: firstly because the leading positions within the state apparatus were held by members of the bourgeoisie; and secondly because the economic power behind capitalist lobbyists was far greater than other interest groups. Thus although the state may be democratic, and while it may be open and pluralistic, the economic power of capitalists interests and the bourgeois sympathies and perceptions of those running the state apparatus meant that the policies of the state were dominated by the minority interests of the bourgeoisie.

Miliband's theory of the state implied that it was not sufficent for socialists to capture office. It was necessary for any socialist Government to be backed up by a mass extra-parlimentary movement that could counter the political and economic pressures that would be brought to bear against socialist policies both within and outside the state apparatus. Yet as Clarke observes, Miliband's theory of the state:

[78] Introduction to *Post-Fordism and Social Form*, page 6.

> "...was unable to conceptualise the *limits* to the exercise of state power on behalf of capital, except to the extent that such exercise met with popular resistance. This laid Miliband's account open to the charge of offering an 'instrumentalist' theory of the state, which ultimately reduced the state to an intrument of the capitalist class, and a 'voluntarist' theory, which saw the limits to state power in the organisation, will and determination of the contending classes."

In Britain, where even the leadership of the Labour Party was dominated by public school and Oxbridge graduates, and the state was infused by notions of class privilege, the ideas of Miliband may have appeared not only sufficient but even self-evident. However, they soon became contested by the far more sophisticated theories emanating from France which were being put forward most forcefully by Poulantzas.

For Poulantzas it was simply not enough to say that the state apparatus was dominated by members of the bourgeoisie. In fact there were many instances where the state was run by classes other than the bourgeoisie, or was run by a distinct faction of the bourgeoisie, yet they still were capitalist states that ultimately ensured the dominance of the general interests of capital. Indeed, the problem for Poulantzas was to explain how the state could be capitalist without the bourgeoisie necessarily having to act as the ruling political class.

Simply put, the answer Poulantzas offered to this problem was that the state could only act within certain limits that were determined by the capitalist mode of production. The state could only function if it had the power to raise taxes and command material resources; but, so long as the material reproduction of society was based on the capitalist mode of production, this power ultimately depended on the success of capitalist accumulation. If the state persistently acted against the interests of capital then sooner or later the conditions for capital accumulation would be undermined, the economy would be thrown into crisis and the state would find it increasingly difficult to command the material resourses it needs to function.

So, for Poulantzas, insofar as society was structured by the capitalist mode of production, the state was always 'determined in the last instance' by the need to sustain capitalist accumulation. Yet within such structural limits Poulantzas suggested there was a large degree of relative autonomy for state policy and political action. Political conflict would necessarily arise between various classes and factions over the determination of state policy and this would give rise to the formation of various class alliances and 'hegemonic blocs' between the dominant classes and factions through which the state was run.

As Clarke points out, although both Miliband and Poulantzas went beyond the traditional Marxist theories of the state, they were still bound by the old socialist project of contesting state power. Such a political imperative was increasingly divorced from the practical political struggles that were being fought in the 1970s in which the struggle was primarily *against* the state rather than for it. As Clarke himself puts it: "This perspective was increasingly remote from the popular struggles which were developing through the 1970s, which confronted the state more and more directly not as the prospective instrument of their liberation, but as the principal barrier to the realisation of their aspirations."[79]

This point became increasingly apparent to many within the CSE from their analysis of contemporary struggles around housing and labour processes. It was this that led Holloway, Picciotto, Clarke along with others, to attempt to develop the theory of the state further, so as to consider not only the capitalist *content* of the state but also its *form*: that is to not only understand *what* the capitalist state must do but *how* it must do it. For a starting point for such a theoretical project, that would allow them to break from the Poulantzas and Miliband framework, they looked to the state derivation debate that had been developing independently in Germany.

For the German theorists any Marxist theory of the state had to begin with the categories of Marx's *Capital*. For them *Capital* was not simply a Marxist political economy that was counterposed as a radical alternative to bourgeois political economy, and to which a Marxist sociology, a Marxist political science and so forth could be simply added in accordance with the given disciplines of bourgeois social science. Rather *Capital* was a *critique* of political economy as such. It sought to go beyond the analysis of the bourgeois economy to grasp capitalist society as a totality. In doing so Marx's critique had to expose the readily apparent objective categories of bourgeois political economy - money, commodities, capital etc., as reified social relations that assumed the social form of things, and which in turn gave rise to idea of political economy or economics as a distinct 'objective social science'.

As a consequence, these German state theorists did not simply set out to develop a Marxist theory of the state within the confines of 'political science', as both Miliband and Poulantzas had sought to do, but rather sought to derive the *state form* from the very

[79] Introduction to *The State Debate*, Page 31.

categories of Marx's *Capital*, and then, in doing so, show how the sphere of politics manifests itself as being both distinct and separate from that of the economy.

The implications of this approach was that the state was not presupposed as some*thing* separate from capital, which then had in some way to be articulated to it, as either an instrument or as a relative autonomous structure and apparatus, but was rather a manifestation of the essential social relations of capital that necessarily has to present itself as something separate and distinct from capital and the 'economy'. In short, within capitalism, we have to begin by recognising that the state *is* capital!

Of all the German state theorists it was J. Hirsch who was most influential in Britain, and it was his version of state derivation that served as the inspirational source for the attack on the Miliband-Poulantzas orthodoxy, that was collected together by Holloway and Picciotto in the seminal *: The State and Capital: A Marxist Debate*. However, even then, as Clarke admits, there were vital differences between Hirsch and his British adherents, the full significance of which only began to emerge with Hirsch's attempts to reformulate his theory of the state in the light of the new French regulation school in the early 1980s. It is these differences that underpin the arguments and polemics fought out in the articles collected together in both *The State Debate* and *Post-Fordism and Social Form*.

As Holloway and Bonefeld make clear in their introduction to *Post-Fordism and Social Form*, Hirsch had been preferred over other German state theorists of the 70s because he went furthermost in escaping from the 'capital logic' approach, that was prevalent within much of the German debate, which tended to see the state form as simply a *function* arising from the needs of capital for an apparently independent social form above the competitive battle of contending capitals. Indeed Hirsch had insisted that the *form* of the state had to be logically derived before any *functions* could be ascribed to it. As a consequence the state form could be seen as subject to class struggle.

In so far as there were differences between Hirsch and his British followers it was over the importance of historical analysis. Indeed, in their introduction to *The State and Capital*, Holloway and Piccitto had criticised Hirsch for taking the emergence of the state form, and with it the manifest separation of the economic from the political, as a 'once and for all' historical act, rather than one that had to be repeatedly reimposed through class struggle. However, at the time this difference was seen mainly as a matter of emphasis which only implied the need to supplement Hirsch's state theory with more historical orientated analysis.

With Hirsch's reformulation of his theory of the state in the 1980s it became clear that this difference of emphasis between logic and history was symptomatic of more fundamental differences that arose from Hirsch's failure to fully break with the functionalism of the 'capital logic' approach. In his articles reprinted in both *The State Debate* and *Post-Fordism and Social Form*, Hirsch attempts to give his theory an historical dimension by adopting the French regulation approach that saw the crisis in capitalism of the 1970s as a shift from a Fordist 'mode of accumulation', involving mass production and mass consumption, to a post-Fordist mode of accumulation of flexible specialisation etc. For the French regulation school, this shift in 'mode of accumulation' which centred on the process of production, demanded a wider shift in the regulative institutions of society that ensured the overall reproduction of capital and labour. This, for Hirsch, implied a change in *state form* from a Fordist to a post-Fordist state, which he then sought to analyse.

In embracing the French regulation school so as to historicise his theory of the state, Hirsch relapsed into structuralism. Indeed, as Holloway and Bonefeld point out, Hirsch takes up many of the structuralist concepts of Poulantzas. As a result, Hirsch falls into the ultimately determinist and fashionable view of the 1980s which saw the emergence of a post-Fordist/post-modernist era as the inevitable outcome of the development of the objective laws of capitalism, with all the political consequences of accepting the 'new realities' of the end of the working class and the rise of designer socialism that this implied.

In *The State Debate* and *Post-Fordism and Social Form* these political implications are drawn out and ruthlessly criticised at a theoretical level. As such we find several lines of attack. Firstly there are those at the level of method through which the regulation school and Hirsch's reformulation of state theory is attacked on the basis of its disarticulation of class struggle and structure[80], its underlying technological determinism[81], and its misreadings of Marx[82]. While secondly there are those on a historical level which raise questions over the precise periodisation of capitalism into pre-Fordist, Fordist and post-Fordist modes of accumulation[83]. Through all these lines of attack, as we have already noted, the underlying argument against the structuralist orthodoxy is that capital *is* class struggle.

[80] For example see 'The Reformulation of State Theory' by W. Bonefield in *Post-Fordism and Social Form*

[81] See for example 'Learning to Bow' by E. Palaez and J.Holloway in *Post-Fordism and Social Form* which argues that technological determinism inverts the optimism of traditional vulgar marxism, which see the breakdown of capitalism as inevitable due to the technological inevitablity of the rising organic composition of capital, to a pessimistic technological determinism that see the future dominance of capitalism as inevitable.

[82] See 'The Great Bear: Post-Fordism and Class Struggle: A Comment on Bonefield and Jessop' by Holloway in *Post-Fordism and Social Form*.

[83] See for example 'Overaccumulation, Class Struggle and the Regulation Approach' by Clarke also in *Post-Fordism and Social Form*.

So what are we to make of *Post-Fordism and Social Form* and *The State Debate*? Quite clearly we must side with the editors in their polemic against the post-Fordists et al. With Hirsch retreating into the comfort of his professorship, insisting that we understand everything before we act:

> ...we must come to a clear understanding of the trends in social development and of changes within capitalist formations. Only then can we realise the relevance of movements and conflicts and the conditions for social-revolutionary politics in today's society, and only then will we be ready for political action.[84]

Or Jessop who, in failing to fully recognise the political implications of the regulationist theory and the reformulation of the state approach, blithely suggest they provide a 'good framework for a research programme'; our sympathies are clearly with Clarke, Holloway, Bonefeld and co.

Yet if we consider the polemic more closely we can only take sides with certain reservations. Firstly, on closer inspection, it becomes clear that Clarke, Holloway and Bonefeld, in making their polemic against the post-Fordists, fail to critically situate themselves and their relation to the left. Indeed, the sheer vehemence of Holloway and Bonefeld's attack on the post-Fordism is perhaps in some sense due to their belief that post-Fordism, and with it designer socialism, is nothing other than a betrayal. Yet the degree to which these theoretical comrades were originally on the side of 'real socialism' in the first place is never adequately considered. Secondly, the insistence that capital *is* class struggle, while vital in the polemic against structuralism is not without its own problems and ambiguities.

Let us first consider our reservations concerning Clarke, Holloway, Bonefeld *et al* with regard to their situation and relation to the left. For this we should perhaps look a little closer at Clarke's introduction to *The State Debate*. While this introduction seems a reasonably comprehensive contextualisation of the debate and its origins there are two points that are not adequately addressed and which gives us clues to the political positions of Clarke, Holloway and Bonefeld. Firstly Clarke does not really explain why the debate over the state became silenced in the late 1970s. He states that the debate was primarily for 'political clarification' and alludes to the changing political climate but does not tell us anything further. Secondly, he does not discuss in any detail the political context that led to the re-emergence of the debate in the 1980s nor its political significance.

In order to draw out the implications of these omissions we must seek to place Clarke's history of debate into the wider and more explicit context of the crisis of the New Left of the late 1970s and the failure of the left strategies of the 1980s.

The crisis of the New Left

In the wake of the proletarian offensive of the late 1960s and early 70s the New Left broke into two parts. On the one side there were, what have since become known as, the new social movements; feminism, ecology, squatting, gay liberation, black liberation etc. All these movements, whether 'oppositional' or 'alternative', combined a utopian vision for the transformation of society, preserving the communist hopes of the heights of the proletarian offensive, with practical everyday activity on the personal level. As a consequence these movements adopted a distinctly anti-state ideology and as such came to constitute what became known at the time as the 'libertarian left'.

On the other side, in the face of the 'political and social realities of the post '68 era' many in the New Left turned towards reviving the organisations of the traditional left. Thus not only was there a resurgence of Trotskyism (at least in Britain) either in revised or in traditional forms, but also a concerted attempt to renovate the old Stalinist Communist Parties! So rather ironically, while the New Left had originally emerged as a reaction against the excesses of Stalin that had resulted in the invasion of Hungary in 1950s, less than twenty years later many New Leftists re-entered the Communist Parties so as to reform and rehabilitate them. This resulted in the emergence of Eurocommunism which sought to distance the Communist Parties of Western Europe from the ideological commitment to 'proletarian revolution', a commitment that had in effect served to reduce the Western Communist Parties to being little more than a tool of USSR foreign policy during the Cold War, in favour of a electoral strategy of capturing state power.

For the erstwhile students of the class of '68, who had now begun their 'long march through the institutions', Leninism, whether of the Stalinist or Trotskyist variety, offered a privileged role as leading intellectuals planning the political strategy on behalf of the working class. As these students of '68 became the lecturers of the 70s, Marxism became academically respectable. But this academic Marxism was dominated by the structural Marxism of Althusser: the arch renovator of the French Communist Party,

[84] 'The Fordist Security State and New Social Movements', in *The State Debate*, Page 156.

who saw the party intellectuals as the sole producers of scientific truth.[85] As Althusserian Marxism swept all before it, being championed by the vanguard of intellectual Marxists of the *New Left Review*, so Poulantzas, structural Marxism's representative in the field of political science, rose to pre-eminence.

This then is the broader context within which the Poulantzas-Miliband debate emerged. But by the late 1970s both the two separate wings of the New Left were in crisis. In Britain the proletarian offensive had been successfully contained into established political and economic channels and had as a consequence become diffused. Capital's counter-offensive had now begun. This had become clear when the Labour Party formally abandoned Keynesianism and embraced monetarism with James Callaghan's speech to the Labour Party conference in 1976, and his subsequent letter of intent to the IMF. This was followed by a programme of drastic cuts in public expenditure and the complete abandonment of the Labour manifesto's commitments to make an 'irreversible shift of wealth in favour of working people'.

With the rise of the New Right and the first cold breezes of monetarism, the New Left was thrown into crisis. For the libertarian left the new political and economic climate threatened to reduce the space for building and experimenting with alternative structures and lifestyles, while the increasing power of the right exposed the weakness and lack of unity of the new social movements that were all busy 'doing their own thing'. At the same time, both the weakening of working class militancy and the open failure of the Labour Government, and its traditional social democratic project, had opened the way for the growing popularity of a more virulent right. The looming prospect of a Thatcher Government, along with the rise of the National Front, cast doubt amongst those on the 'far left' that only a few years earlier had been 'preparing for power' after the fall of the Heath Government.

The impact of this crisis was to stimulate an intense bout of self-criticism that was finally resolved in an all-embracing call for left unity. Perhaps one of the most important examples of this reaction, and one which Clarke, Holloway, Bonefeld *et al* politically connect to, was *Beyond the Fragments*. *Beyond the Fragments* was originally a discussion paper that brought together the various experiences of three women who had been active in both the feminist movement and various Trotskyist and 'far left' groups. As such it ably expressed the crisis confronting both the feminist movement and the more 'soft' Trotskyist groups such as the IMG that had sought to mobilise the new social movements within a Leninist framework.

By the late 1970s the feminist movement was in deep crisis. With the original impetus of 'consciousness raising' running out of steam, and in the changing political and economic climate, the womens' movement became racked with tensions and divisions that had been emerging between socialist and radical feminists. In the face of the general retreat of radical feminists into either mysticism or separatism, socialist feminists had become increasingly concerned that the feminist movement was becoming little more than a middle class ghetto that was failing to address the everyday concerns of working class women. A failing that was becoming ever more important with the threat to womens' rights posed by the rise of the right.

Yet, at the same time, socialist feminism had found the often authoritarian and depersonalised forms of organisation and politics of the 'traditional male left' in stark and uncomfortable contrast to forms of organisation and politics that had been developed within the feminist movement. What is more, their repeated efforts to reform such organisations and to reorientate their politics in a feminist direction had proved more than disappointing.

It was in this context that *Beyond the Fragments* emerged as an attempt to go beyond the failure of both the feminist movement and the Leninist left. Drawing on their experiences, the contributors to this work provided perceptive criticisms of both these movements, and implicitly the New Left in general. Yet for all its perceptiveness in detail, *Beyond the Fragments* failed to go far enough. *It failed to see how the left could act as a means to recuperate struggles, and for all its criticisms of Democratic Centralism it failed to get beyond the idea of Party and social democratic politics*. In refusing to impose a solution to the crisis of the New Left, in recoiling from the 'ultra leftism' of the autonomist movements that at the time were raging in Italy, *Beyond the Fragments* ended up as a vague appeal for an uncritical left unity. An appeal for unity that eventually ended up as a rallying cry to join the Labour Party!

Another response to the crisis of the late 1970s was the work of London-Edinburgh Weekend Return Group which became published as *In and Against the State*. This group of radical academics and professionals, of which Holloway was a leading member, sought to address the important question facing many of the class of '68 whose professional careers were coming into contradiction with their socialist beliefs. Indeed, the organisation of 'radical' professions were proliferating in the late 1970s whose pretensions were ably criticised at the time:

[85] Simon Clarke has long been an arch-critic of Althusserianism; see for example *One-Dimensional Marxism*.

> These 'radical' specialists (radical lawyers, radical architects, radical philosophers, radical psychologists, radical social workers - every*thing* but radical *people*) attempt to use their expertise to de-mystify expertise. The contradiction was best spelled out by a *Case Con* [an organisation of 'radical' social workers] 'revolutionary' social worker, who cynically declared at a public meeting, 'the difference between us and a straight social worker is that we *know* we're oppressing our clients'. *Case Con* is the spirit of a spiritless situation, the sigh of the oppressed oppressor; its the 'socialist' conscience of the guilt ridden social worker, ensuring that vaguely conscious social workers remain in their job, whilst *feeling* they are rejecting their role...The academic counter-specialists attempt to attack (purely bourgeois) ideology at the point of production: the university. Unwilling to attack the instituition, the academic milieu, the very concept of education as a separate activity from which ideas of separate power arise, they remain trapped in the fragmented categories they attempt to criticise. Non-sectarianism is the excuse for their incoherence...[86]

Using the concept of *state form* as their theoretical basis, Holloway and others sought to show how it was possible for 'radical' professionals, by identifying themselves as state workers, to contest the forms of state provisions so that the class struggle could be waged *in* as well as against the state.[87] Whatever we may say against it, this work did raise important questions with regard to the need to go beyond simply defending state provision of welfare that was the common response of the left to the rise of monetarist policies, so as to challenge the form of state provision that had long served to demobilise the working class. Indeed, *In and Against the State* proved far more perceptive than *Beyond the Fragments* in its warnings over the dangers of using the Labour Party to seize local Government and was well aware of 'state workers' substituting themselves for their clients in the struggle in and against the state:

> When the crunch comes, when Whitehall's commissioners move in to deal with over-spending, will people in these areas unite to protect the councils that defend 'their' services? We hope so, but we fear not.[88]

Yet for all this, *In and Against the State*, with its resolute 'non-sectarianism', ended up simply appealing for the left to take these concerns on board. It failed to see how the social democratic project of 'building socialism' was a necessary part of the state-form and its demobilising of the working class. As a result it too ended up in the movement for an critical left unity which subsequently underlay the mass stampede into the Labour Party.

The left's strategy in the 1980s

It was this left unity, that preceded the influx of much of the New Left into the Labour Party at the end of the 1970s, which brought an end to the original debate over the state. Within the broad church of the Labour Party all the former divisions were dissolved in the common project of 'democratising' and capturing the Labour Party for the left and seizing control of local government as a stepping stone towards winning the next election. This not only culminated in the near victory of Tony Benn in the deputy leader elections in 1982, and the changes in the Labour Party constitution, but also, and more importantly, with the fall of the GLC into the hands of the left.

The capture of the GLC allowed the co-existence of various tendencies within a broad 'right on' left populism. Erstwhile eurocommunists could practice implementing an alternative economic strategies for an economy which was, after all, 'bigger than that of many Third World countries'. The neo-Gramscian proponents of establishing a cultural hegemony of the left could revel in the numerous festivals put on by the GLC, while the various new social movements found official recognition in the appointment of various committees and officials.

Yet you did not have to be a reader of *Class War* to know that the GLC was one big gravy train for trendy middle class professionals. The appointment of numerous highly paid professionals to look after special interest groups such as blacks, gays women etc. did little to 'empower' the class. Indeed, they often worked against the class by dividing people into special interest groups. In Lambeth the lefty council did not hesitate to evict squatters so that it could build a housing advice centre so that social workers could have a place to advise the homeless!

[86] *Refuse*, BM Combustion 1978. It should be noted that Holloway, Gunn and Bonefield have attempted to go beyond the academic milieu through their involvement in *Common Sense*. With Common Sense they originally sought to escape the stifling confines of academia by opening up the pages to everyone, but this has simply led them to reproduce their non-sectarian incoherence in a more popular form. Now, perhaps in recognition of the limitations of this popular incoherence, they have reverted to a more academic form by subsuming Common Sense as the Journal of the Edinburgh Conference of Socialist Economists.

[87] Thus they would advocate for example social workers helping their clients to get round repressive regulations and so forth.

[88] *In and Against the State*, 2nd Edition, London-Edinburgh Weekend Return Group, 1980. Page 137.

The politics of the GLC was often more to do with image than anything else. A point borne out not only by the insistence of renaming everything in 'right on terms', so that for instance professionals became known 'workers' (thus lawyers became 'legal workers' while accountants became 'finance workers' and so forth) but also in its gesture politics. Ken Livingstone's incessant need to maintain his reputation culminated in the London Transport fiasco when, after the law courts over-ruled the GLC's cheap fares policy, Red Ken threatened to defy the law only to back down at the last minute, in the end managing to pose for the cameras buying his ticket showing he wasn't such a 'red' after all!

Clarke significantly avoids dealing with the left in the 1980s. While he declares his aversion to the dangers of a left populism, he is far from being unsympathetic to the politics of 'harnessing the resources of the local state' and concludes that while such strategies failed they should not be considered misguided. For as he says 'history judges the losers harshly'. This failure to criticise the politics of the GLC means that Clarke's introduction fails to draw out the full significance of the *State Debate* as part of a response to the immediate aftermath of the defeat of this left strategy of the early 1980s.

For the rats fleeing the sinking ship of the left, the leap from the image politics of the GLC to the designer socialism of *Marxism Today* and its associated fads of post-modernism, post-Fordism post everything, was after all not that great. Indeed, it was the 'socialist planners' of the GLC that hailed post-Fordism as the way forward to regenerate London's economy, drawing as their model the Communist Party controlled municipalities of the 'Third Italy'. It is only by understanding the debate over the state and post-Fordism etc. as part of a wider polemic against what is perhaps seen as a betrayal, or at least a pessimistic turn, of erstwhile 'comrades' that we can appreciate much of the underlying vehemence that we find in many of the articles in both these volumes. And it is perhaps only through such an understanding that we appreciate the full political significance of this 'debate'.

This brings us to the second part of our reservations towards Clarke, Holloway, Bonefeld *et at*. The political ambiguities that we have outlined above are reflected in at the abstract theoretical level. While a comprehensive analysis of this beyond the scope of this review we should perhaps note a few salient points.

In *Post-Fordism and Social Form* we find Holloway and Bonefelds' repeated insistence against Jessop that capital *is* class struggle! Indeed this insistence is vital for them if they are to press home their polemic against what they see as the structuralist orthodoxy of much of Marxist theory. Yet while we must be sympathetic to this stress on class struggle we should perhaps retain certain reservations. Thus when they claim the backing of Marx by returning to *Capital* to derive the centrality of class struggle to Marx's own analysis then we must concur with Jessop when he indicates that the categories of *Capital* are very far from being explicitly embued with class struggle. *Indeed, we would argue that in Capital Marx necessarily takes as his starting point the critical perspective of the bourgeoisie. A perspective through which class struggle is only implicit, or at the most marginal to the development of the exposition.* As a result what strikes the reader who is aquainted with the importance of the question of class struggle for Marx is its apparent absence in the pages of *Capital*.

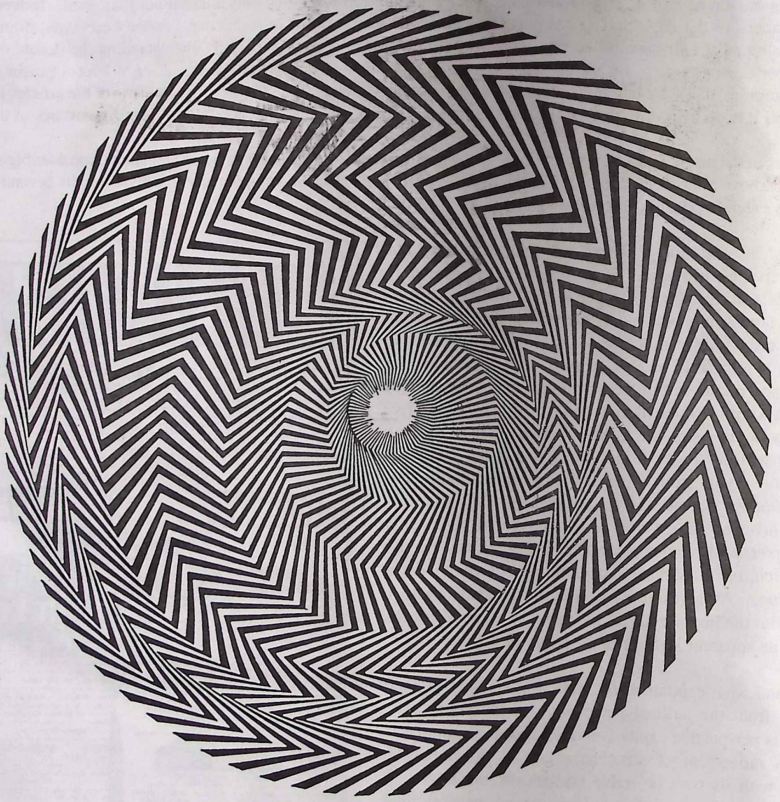
To understand what capitalism *is*, Marx was obliged to begin his critique from this critical perspective of the bourgeoisie. But from this perspective capitalism *does* appear as simply the autonomous movement of structures; capital developing in accordance with its own objective and inexorable laws. To make class struggle explicit we have to go beyond these categories. We have to invert them. The failure to do so can only generate problems particularly when we seek to return to Marx to derive our theory as *form-analysis* seeks to do.

Thus for example when Marx shows how labour takes the social form of value he presupposes the defeat and subsumption of the worker. Indeed, as self-expanding value, capital is the presupposition of the repeated subsumption of living

labour; it is the triumph of dead alienated labour over the living. *Capital is class struggle only in that it is not class struggle; that is in so far as it is the provisional defeat of the working class.* A similar argument could be advanced for the *state form* as a defeat of the autonomous organisation of the working class.

It would be unfair to say that Holloway and Bonefeld etc. are completely unaware of this. Yet we may suggest that their failure to fully recognise this point leads them into certain ambiguities in order to preserve the value of their role within the state. Thus, for example, Holloway makes a distinction between *state-form* and the *state apparatus* which, as Clarke has pointed out, seems to imply that: "...the bourgeois state apparatus can somehow be given a socialist form."[89]

So what then are to make of *The State Debate* and *Post-Fordism and Social Form*? Both *Post-Fordism and Social Form* and *The State Debate* provide a important analysis of the nature of the state and the current period of capitalism. An analysis that is for the most part directed against the prevalent structuralist and objectivist Marxist orthodoxy. As such we are sympathetic to them but with certain reservations. For us the struggle is not to 'build socialism' or to democratise capitalism, it is for *communism*. A project that demands no complicity with the recuperative strategies of the left and social democracy.



Thanks to Clydeside Press and AK Distribution.

[89] Introduction to *The State Debate*, Page 65.

Subscriptions

UK £5 for 3 issues
Europe £6.50 for 3 issues
(I.M.O.'s only)
Elsewhere £8 for 3 issues
(I.M.O.'s only)
Cheques payable to
Aufheben

Aufheben c/o Prior House, Tilbury Place,

Brighton, E.Sussex, BN2 2GY, UK.